



QBE European Operations

Property. Giving you the advantage

Policy Terms

Giving you the confidence to achieve your ambitions

Why QBE?

Our aim is giving you the confidence to achieve your ambitions. We help you manage the risks that could hold you back – so you can stay focused on your goals.

In a world of ever-changing challenges and risk exposures, we're committed to keeping you fully covered.

Please refer to your **policy schedule** to establish which covers apply.

How we use your information

We are committed to complying with **our** legislative and regulatory obligations concerning the protection of the personal information and data of our policyholders and those applying to **us** for insurance.

Our Customer Privacy Notice, which sets out how **we** use and process the personal information **you** provide to **us**, or **we** collect from **you** about **you** and any of **your** employees or other individuals and how **you** and they can exercise **your**/their data protection rights, is available on our website.

Award Winning Claims Service

With us, you benefit from an award-winning in-house claims service. We believe strongly in doing what it takes to help our customers recover as quickly as possible following a major incident. We'll assign a dedicated claims specialist who'll keep in contact as the situation unfolds, connecting you with the support you need – when you need it.

- Support network of dedicated adjusters and claims relationship managers
- Bespoke management information
- Claims review meetings tailored to your needs
- Major Loss management
- Technical support for pre and post loss incident management
- Carefully selected and audited specialist legal panel
- Award-winning fraud team
- Decisions supported by data analytics to manage claims faster and more effectively



Insurer
of the Year



1. Contents

This **policy** consists of the following:

Page 3	Section 1 – Policy Contents
Page 4	Section 2 – Policy Guide – This explains the basis on which cover is provided.
Page 6	Section 3 – General Definitions – This gives meaning to words in bold.
Page 14	Section 4 – Property Damage – This gives details of the cover and any extensions, exclusions or terms applicable to this section .
Page 21	Section 5 – Business Interruption – This gives details of the cover and any extensions, exclusions or terms applicable to this section .
Page 28	Section 6 – Extensions for the Property Damage and Business Interruption sections – These detail specific extensions applicable to both sections .
Page 32	Section 7 – Other terms and conditions – These set out your obligations and rights under the Property Damage and Business Interruption sections .
Page 38	Section 8 – Terrorism – This gives details of the cover and any extensions, exclusions or terms applicable to this section .
Page 41	Section 9 – General Exclusions – These detail what you are not covered for in the policy .
Page 46	Section 10 – Claim Conditions and Requirements – These detail the procedure required when you make a claim.
Page 48	Section 11 – General Terms – These set out your obligations and rights under the policy .
Page 52	Section 12 – How to Complain – This specifies the procedure to be followed if you have a complaint.

2. Policy Guide section

2.1. Your policy

- a) The **policy** is made up of this document, the **schedule** (including any substitution **schedules**) and any endorsements.
- b) Together these documents form the **policy** and set out the scope of this insurance.
- c) **Your policy** is a legally binding insurance contract. Please read all parts carefully and if **you** require clarification of the terms, conditions or exclusions, please contact **your** broker.
- d) If **your policy** is incorrect, or **you** believe that it does not meet **your** needs, please return it to **your** broker for alteration.
- e) All headings in this **policy** are included in bold. Other than in the headings, words in bold carry specific meanings which are set out in the 'General Definitions' **section**.
- f) Words conveying the singular will include the plural and vice versa and words importing the masculine will import the feminine and the neuter. References to 'a person' will be construed to include any individual, company, partnership or other legal entity.
- g) Any reference to legislation or regulations or industry guidance or standards in the **policy** extends to apply to any, or any subsequent, amending or replacement legislation or regulations, guidance or standards, and to any other legislation or regulation, guidance or standards of similar intent if applicable.

2.2. Navigation

- a) Each **section** sets out the extent of cover, how the indemnity under this **policy** may be limited or excluded and other relevant terms and conditions applicable to that **section**. Cover is subject to the terms, conditions, limitations and exclusions of the **policy**.
- b) Certain terms apply to the whole **policy** and they are set out in:
 - i. General Definitions;
 - ii. General Exclusions;
 - iii. Claims Conditions and Requirements;
 - iv. General Terms; and
 - v. How to Complain.

- c) Unless expressly stated otherwise elsewhere in the **policy**, **sums insured**, the **overall loss limit** and **sub-limits of indemnity** are set out in the **schedule** and operate in accordance with the relevant provisions in the 'General Terms' **section**.

2.3. Fair presentation

- a) It is important that **you** have made a fair presentation of the risks which are insured by this **policy**, in accordance with the terms of the Insurance Act 2015.
- b) **Your** obligations in this regard, and **our** rights, are as set out in the Insurance Act 2015. **We** would advise you to obtain full details from **your** broker.
- c) If **you** have failed to make a fair presentation of the risk, this could lead to a reduction in the amount for which **we** will indemnify **you**, no payment being made under this **policy**, or the **policy** being treated as never having come into force in the first place, depending on the circumstances.

2.4. Conditions precedent

- a) The **policy** contains a number of terms which are conditions precedent to **our** obligation to indemnify **you** under the **policy**. These terms are specifically identified where they appear in the **policy** by the words "CONDITIONS PRECEDENT" which appear in capitals next to the title of the term.
- b) Compliance with these terms is particularly important to **our** decision to insure **you** under this **policy**.
- c) The consequences for breach of conditions precedent are potentially serious and are set out in the Insurance Act 2015. At the most serious, breach of these terms may mean that **you** lose **your** entitlement to claim under this **policy**. **We** would advise **you** to obtain full details from **your** broker.
- d) Additional terms may also be included in any endorsements to the **policy**, and **you** should check these carefully as they may also be conditions precedent to **our** obligation to indemnify **you** under the **policy**.

2.5. Setting your sums insured

- a) For all items of **property insured** for which a **sum insured** is stated in the

schedule under 'Property Damage', the **sum insured** should be set at the maximum amount for which **we** could indemnify **you** under the 'Basis of settlement' conditions in the 'Other terms and Conditions' **section** were that item of **property insured** entirely destroyed. The **sum insured** needs to remain adequate throughout the **period of insurance** (unless it is stated in the **schedule** that the item is covered on the Day One (1) Basis). That means **you** should make allowance for any potential increases that may occur during the **period of insurance**.

- b) For cover under the 'Property Damage' **section** it is important that **you** check that all **sums insured** and **declared values** stated in the **schedule** are correct. If **you** are in any doubt **you** should ask **your** broker for advice. All **sums insured** and **declared values** are subject to the provisions of the Underinsurance conditions in the 'Other Terms and Conditions' **section**, unless expressly stated otherwise. This means that if, when making a claim, a **sum insured** or **declared value** (as applicable) is found not to be adequate, the amount **you** are able to claim under this **policy** will be reduced. For example, if the **sum insured** or **declared value** for **property insured** is £500,000, but the **sum insured** or **declared value** ought to have been £1,000,000, **we** will only pay 50% of the valid claim. The way that this works is explained in the 'Underinsurance' **sub-section** in the 'Other Terms and Conditions' **section**.
- c) If **you** have purchased cover under the 'Business Interruption' **section** for **estimated insurable gross profit** or **estimated gross revenue** the **sum insured** will include an uplift to allow for some element of unexpected growth of **your business** during the **period of insurance**.
- d) For cover under the 'Business Interruption' **section** **you** must ensure that the figure **you** have provided for **estimated insurable gross profit** or **estimated gross revenue** is as accurate as possible and is based on the best information available to **you** at the time, which should be **your** latest budget where available. A margin of error of up to 50% is allowed against the estimated figures **you** have provided. However, if that margin of error is exceeded then the

amount for which **we** will indemnify **you** for any loss will be proportionally reduced. The way this works is explained in the 'Declaration linked condition' in the 'Other Terms and Conditions' **section**.

- e) The **overall loss limit**, **sums insured**, and any **sub-limits of indemnity** act as a cap on the amount for which **we** will indemnify **you** under this **policy**. The way these provisions operate is set out in the 'General Terms' **section**.

2.6. Premium payment

- a) **We** will indemnify **you** in accordance with and subject to the terms of the **policy**, in consideration of the payment to **us** of the premium set out in the **schedule** for the **period of insurance**.
- b) Unless stated otherwise in a separate agreement, if **you** do not pay any premium or premium instalment plus any applicable taxes/levies to **your** broker or **us**, by the due date in the **schedule**, **we** may give **you** written notice cancelling the **policy** with effect from the 7th day after the notice has been served.
- c) The **policy** will continue if the late premium instalment and any other remaining premium instalments are paid and accepted before the cancellation takes effect.
- d) Notice of cancellation is deemed to be served on the 3rd day after being posted if sent by pre-paid letter post properly addressed, or on the same day if sent electronically and properly addressed.

3. General Definitions section

The following definitions apply to all **sections** of the **policy**.

3.1. Act of terrorism

in respect of all **sections** other than the 'Terrorism' **section** means any act, or preparation in respect of action, or threat of action designed to influence the government de jure or de facto of any nation or any political division thereof, or in pursuit of political, religious, ideological or similar purposes to intimidate the public or a section of the public of any nation by any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s) de jure or de facto, and which:

- a) endangers life other than that of the person committing the action;
- b) involves violence against one or more persons;
- c) involves **damage** to property;
- d) creates a risk to health or safety of the public or a section of the public; or
- e) is designed to interfere with or to disrupt an electronic system.

3.2. Actual value

means whichever of the following amounts is lower:

- a) the actual reduction in the market value of the **property insured** as a result of the **damage** from its value immediately prior to any **damage**; or
- b) the amount it would cost to repair or replace the **property insured** on the date of **damage** with similar material less a deduction for wear and tear, depreciation and, if applicable, obsolescence.

3.3. Annual Gross Revenue

means the **gross revenue** during the twelve (12) months immediately before the date of the **incident** which will be **trend adjusted**.

3.4. Annual Turnover

means the **turnover** during the twelve (12) months immediately before the date of the **incident** which will be **trend adjusted**.

3.5. Asbestos

means asbestos, asbestos fibres, asbestos dust or asbestos-containing materials installed or applied in on or to any **property insured**.

3.6. Assault/assaulted

means **injury** occurring to an **insured person** directly due to theft or attempted theft of **money**.

3.7. Breakdown

means the actual failure, distortion, breaking or burning out of any part of a machine or computer whilst in use caused solely by either mechanical or electrical defects in the internal components or failure or fluctuation of the electricity supply, in either case resulting in sudden stoppage of the functions of the machine or computer and necessitating repair or replacement of components before it can resume working.

3.8. Buildings

means the fixed permanent structures within the boundaries of the **premises** belonging to **you** or for which **you** are responsible, including:

- a) walls, gates, fences, yards, roadways, pavements, drains and sewers;
- b) landlords' fixtures and fittings, annexes and outbuildings;
- c) foundations, landscaping, ponds/pools/ water features, fixed glass, solar panels or other electricity generating equipment;
- d) security, fire or monitoring devices; and
- e) pipes, cables and wires but not including any part of any pipes, cables or wires extending beyond the boundary of the **premises**.

3.9. Business

means **your** activities set out in the **schedule** at the **premises** including:

- a) maintenance of **property insured** and the **premises**;
- b) the provision and management of catering, social, sports and welfare organisations for the benefit of **employees** or volunteers;
- c) **your** first aid, security, fire and ambulance services;
- d) participation in exhibitions trade fairs conferences and the like; or
- e) provision of gifts and promotional material incidental to the **business**;

but not including receipt of rent unless this activity is specifically included in the **schedule** as part of **your business**.

3.10. Communicable Disease

means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:

- a) the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not;
- b) the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms; and
- c) the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten **damage** to, deterioration of, loss of value, loss of marketability or loss of use of **property insured** by the **policy**.

3.11. Computer equipment

means all desktops, laptops, tablets, servers, **data** storage devices, networking equipment or on-site back up facilities, and manufacturer installed software

3.12. Computer system

means any **computer equipment** and any other computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet or wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, **data** storage device, networking equipment or back up facility and ancillary equipment whether or not owned or operated by **you** or any other party at the **premises** or elsewhere.

3.13. Contract Works

means the permanent and temporary works undertaken for **you** by an independent contractor for the purposes of the alteration, extension, renovation or improvement of the **buildings** including all unfixed materials and goods for which **you** are legally responsible, whether supplied free of charge or not, delivered to or placed on or adjacent to the permanent and temporary works and intended for incorporation in them in the performance of the contract at the **premises** but not including any tools, contractors' plant and equipment, site huts and other temporary accommodation and their contents.

3.14. Cyber act

means an unauthorised, malicious or criminal act or series of related unauthorised, malicious or criminal acts, regardless of time and place, or the threat or hoax of such acts, involving access to, processing of, use of or operation of any **computer system**.

3.15. Cyber event

means any programming or operator error whether by **you** or any other person or persons, or any unintentional or unplanned whole or partial outage of **your computer system** not directly caused by physical loss or **damage**; affecting access to, processing of, use of or operation of any **computer system**.

Where a **cyber event** is caused by, contributed to by, resulting from, arising out of or in connection with a **cyber act** including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any **cyber act**, the **cyber event** will be considered to be a **cyber act**.

3.16. Cyber loss

means any loss, **damage**, liability, claim, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with:

- a) any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any **computer system** or any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any **computer system**; or
- b) any **cyber act**.

3.17. Damage/damaged

means physical loss of, physical destruction of or physical damage to tangible property but not including any impairment or deprivation of use of property.

3.18. Data

means **electronic data** and all other information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a **computer system**.

3.19. Data processing media

means any **property insured** on which **data** can be stored but not the **data** itself.

3.20. Declared value

means **your** assessment of the cost of **reinstatement** of the **property insured** that would have been incurred at inception of the **period of insurance** if the **property insured** had been completely destroyed, ignoring inflationary factors which may operate subsequently.

3.21. Deductible

means the first amount payable by **you**, or the first continuous period of time that is uninsured, which shall apply in respect of any one **occurrence** unless stated otherwise in the **schedule**, as ascertained after the application of all other terms and conditions of this **policy**.

The deductible forms part of the **sum insured**, **overall loss limit** or any **sub-limit of indemnity** as applicable.

3.22. Defined peril

means fire, lightning, explosion, **earthquake**, aircraft or other aerial device or satellite or missile or articles dropped therefrom, riot, civil commotion, strikers, locked-out workers, persons taking part in labour disturbances, malicious persons other than thieves, **flood**, **storm**, escape of water or oil from any tank or pipe, sprinkler leakage, theft or impact by any vehicle or animal provided that such perils are insured under the 'Property' **section**.

3.23. Documents

means **your** hardcopy documents only, including **business** books and records.

3.24. Earthquake

means earth movement, including landslide, mudflow, tsunami, volcanic eruption, earth sinking, earth rising or shifting, including collapse, cracking or shifting of buildings, structures or their parts, as a direct and immediate result of a sudden release of energy in the earth's crust creating seismic waves and including **damage** resulting directly from earthquake.

3.25. Electronic data

means facts, concepts, and information converted to a form useable for communications, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programmes, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.

3.26. Employee

means any person:

- a) engaged under a contract of service or apprenticeship with **you**;
- b) acting in the capacity of **your** non-executive director; or
- c) who works for **you** in the course of **your business** including but limited to:
 - i. persons on secondment from another company who are not an **insured** under the **policy**;

- ii. labour masters or persons supplied by them;
- iii. labour-only subcontractors;
- iv. self-employed persons;
- v. drivers or hired-in plant operators;
- vi. persons engaged under work experience, training, study, exchange or similar schemes;
- vii. any officer, member or voluntary helper of the organisations or services stated in the **business**;
- viii. voluntary workers, helpers and instructors;
- ix. persons working under the Sentencing Act 2020, or the Criminal Procedure (Scotland) Act 1995;
- x. outworkers or homeworkers;
- xi. any other person defined under Sections 32(1), 35(2) and 54(3)(b) of the National Minimum Wage Act 1998;
- xii. prospective **employees** who are being assessed by **you** as to their suitability for employment; or
- xiii. persons a court in the **United Kingdom** deems an **employee**.

3.27. Estimated gross revenue

means the amount **you** declare to **us** as representing not less than the anticipated **gross revenue** that the **business** will earn during the financial year which is most nearly concurrent with the **period of insurance**, to be estimated in accordance with **your** latest available budget.

Where the **maximum indemnity period** exceeds twelve (12) months the amount **you** declare should be increased based on **your** latest available budget by a proportionately increased multiple of the anticipated **gross revenue** for the first twelve (12) months.

The most nearly concurrent financial year is the financial year which overlaps with the **period of insurance** for six (6) or more months.

3.28. Estimated insurable gross profit

means the amount **you** declare to **us** as representing not less than the anticipated **insurable gross profit** that the **business** will earn during the financial year which is most nearly concurrent with the **period of insurance**, to be estimated in accordance with **your** latest available budget.

Where the **maximum indemnity period** exceeds twelve (12) months the amount **you** declare should

be increased based on **your** latest available budget by a proportionately increased multiple of the anticipated **insurable gross profit** for the first twelve (12) months.

The most nearly concurrent financial year is the financial year which overlaps with the **period of insurance** for six (6) or more months.

3.29. Excess

means the first amount payable by **you**, or the first continuous period of time that is not insured, which shall apply in respect of any one **occurrence** unless stated otherwise in the **schedule**, as ascertained after the application of all other terms and conditions of this **policy**.

3.30. Flood

means the escape of water from its normal, natural or artificial confines (other than tanks, apparatus or pipes) or inundation from the sea, including run-off of water or flash flooding during or after a **storm**; rising water, surface water or waves; tidal waves or tidal water (but not tsunami); overflow of streams, rivers lakes, ponds, or other bodies of water; spray from any of the foregoing; all whether driven by wind or not.

3.31. Goods in transit

means **property insured** (other than **money**) whilst in **transit** by road, rail or inland waterway within the **territorial limits**.

3.32. Gross revenue

means the **money** paid or payable to **you** for services rendered in the course of the **business** at the **premises**.

3.33. Group company

means any corporate body which is **your** holding company, associated company, joint venture or **subsidiary company** and any other corporate body which is a subsidiary of that holding company.

3.34. Hired-in plant and equipment

means:

- a) temporary buildings; and
- b) plant, tools and equipment;

supplied to **you** and for which **you** are responsible under the terms of a hiring agreement while anywhere within the **territorial limits** including while in **transit**.

3.35. Incident

means:

- a) accidental **damage** occurring during the **period of insurance** to property used by **you** at the **premises** for the purpose of the **business** within the **territorial limits**; or
- b) **damage** to other property, or any other contingency not involving **damage**, but in both cases only if expressly covered under an extension to the Business Interruption **section** and occurring during the **period of insurance**.

However, definition (b) will not apply to the cover provided under the 'Rent Receivable' or 'Outstanding Debit Balances' **sub-sections**.

3.36. Indemnity period

means the period beginning when the **incident** first happens, or the period beginning after the expiry of any time **excess** following the **incident**, and ending not later than the **maximum indemnity period** stated in the **schedule**, during which the results of the **business** will be affected in consequence of the **incident**.

3.37. Injury

means a specific injury which:

- a) is sustained by the **insured person** during the **period of insurance** and is caused by an accident; and
- b) solely and independently of any other cause, causes death or disablement of the **insured person** that entirely prevents them from pursuing their normal occupation.

3.38. Insurable gross profit

means the amount by which the amount of the **turnover**, the closing stock and work in progress exceeds the amount of the opening stock, work in progress and the amount of the **specified working expenses**.

3.39. Insured

means the person, people, company or organisation (including any **subsidiary company**) stated in the **schedule** as insured, including **you**.

3.40. Insurer

means the party specified as insurer in the **schedule** and any other subscribing insurers, including **us**.

3.41. Insured person

means, only for the purpose of the 'Money damage and assault' extension:

- a) **you** or any of **your** principals, directors, partners or **employees**; or
- b) any person acting on **your** behalf, other than an **employee** of a security company or organisation, not being over seventy-five (75) years of age nor being under sixteen (16) years of age.

3.42. Machinery, plant and all other contents

means machinery and plant and other contents, including:

- a) fixtures and fittings, office equipment and **computer equipment**;
- b) any tenants' improvements and alterations; and
- c) other contents or equipment;

at the **premises** which are owned by **you** or held by **you** on trust or for which **you** have otherwise accepted responsibility.

3.43. Maximum Indemnity Period

means the period of years or months stated in the **schedule**.

3.44. Money

means both **negotiable money** and **non-negotiable money**.

3.45. Negotiable money

means cash, bank and currency notes, uncrossed cheques or orders, or cash/sales/debit vouchers for use by **you** or any of **your** partners, directors or **employees** in connection with **your business**, all belonging to **you** or for which **you** have accepted responsibility.

3.46. Non-negotiable money

means crossed warrants or cheques or other money orders/drafts/bonds or invoices, all belonging to **you** or for which **you** have accepted responsibility.

3.47. Nuclear hazards

means:

- a) ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;
- b) the radioactive, toxic, explosive or other hazardous properties of any nuclear installation, nuclear reactor or other explosive nuclear assembly or nuclear component thereof;

- c) any weapon or device employing nuclear fission or fusion or other similar reaction or radioactive force or matter, or any combination of these;
- d) the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter but this will not apply to radioactive isotopes other than nuclear fuel when such isotopes are being prepared, carried, stored or used for commercial, agricultural, medical, scientific or industrial purposes in accordance with all applicable laws and regulations governing such matters.

3.48. Occurrence

means a single loss or series of losses directly or indirectly caused by, arising out of or in connection with a single event or a single original cause.

3.49. Outstanding debit balances

means the amounts debited or invoiced to **your** customers at the date of the **damage** but adjusted to take account of bad debts and any abnormal conditions of trade which had or could have had a material effect on the **business**.

3.50. Overall loss limit

means the sum stated in the **schedule** as the maximum amount for which **we** will indemnify **you** under this **policy** for all claims connected with the same single **occurrence**, regardless of the number of entities, persons or interested parties making the claim or claims under this **policy**.

The operation of the **overall loss limit** is set out in the 'General Terms' **section** of the **policy**.

3.51. Period of insurance

means the time period as shown in the **schedule** which will refer to GMT unless otherwise specified.

3.52. Permanent total disablement

means irrecoverable disablement arising from **injury** which permanently and totally incapacitates the **insured person** for a continuous period of twelve (12) months.

3.53. Plant and machinery

means, only for the purpose of the 'Machinery breakdown' extension:

- a) boilers and pressure plant subject to internal steam pressure or used for storage of fluids under pressure;
- b) lifting and handling machinery;
- c) electrical and mechanical plant;
- d) vacuum vessels;
- e) piping associated with any of the above;

including all integral parts of such plant and machinery but does not include, even if integral to the plant and machinery (unless specifically stated in the **schedule** as being covered):

- a) chimneys, masonry, brickwork foundations, racking, shelving and supporting structures;
- b) computer or **data processing media** (unless linked and wholly dedicated to the control of any machine or production or treatment process);
- c) office equipment;
- d) non-metallic protective linings, pipes or hoses and driving or conveyor belts or batteries;
- e) vehicles other than purpose-built lifting and handling machinery;
- f) the contents of any plant and machinery; or
- g) seals and joints.

3.54. Policy

means this document, the **schedule** (including any substitution **schedules**) and any endorsements.

3.55. Premises

means the location specified on the **schedule** up to the boundaries legally occupied or owned by **you**.

3.56. Pressure explosion

means the sudden and violent rending of the **plant and machinery** by force of internal steam or other fluid pressure (other than pressure of chemical action or ignition of the contents or pressure or ignition of gases in the furnaces or flues) causing bodily displacement of any part of the **plant and machinery** together with the forcible ejection of the contents.

3.57. Property insured

means tangible property described in the **schedule**.

3.58. Rate of gross profit

means the rate of **insurable gross profit** earned on the **turnover**, during the financial year immediately before the date of the **incident**, which will be **trend adjusted**.

3.59. Reinstatement/Reinstatement

means the repair or replacement of the **property insured** that has sustained **damage**, to a condition substantially the same as but not better or more extensive than its condition when new, including, in the case of **damage to buildings** or to **machinery, plant and all other contents**, any reasonable and

necessary costs and fees covered under the 'Reinstatement costs and expenses' **sub-section**.

3.60. Rent receivable

means the **money** which **you** are or would be entitled to receive for rent and other charges and for services rendered in relation to the occupation or tenancy of **buildings** at the **premises**.

3.61. Schedule

means the document which details **your** insurance, the limits of cover and any endorsements that may apply.

3.62. Section / Sub-section

means a section of the **policy**, or a sub-section of that section (including extensions), that forms part of the **policy** but only if included in the **schedule**.

3.63. Specified working expenses

means:

- a) purchases of materials or goods for resale (less discounts received);
- b) discounts allowed;
- c) carriage, packing and freight; and
- d) bad debts.

in addition to any other expenses which **you** have asked be added to this list, and which are stated in the **schedule**.

3.64. Standard gross revenue

means the **gross revenue** during that period in the twelve (12) months immediately before the date of the **incident** which corresponds with the **indemnity period**, which will be **trend adjusted**.

3.65. Standard rent receivable

means the **rent receivable** during that period in the twelve (12) months immediately before the date of the **damage** which corresponds with the **indemnity period**, which will be **trend adjusted**.

3.66. Standard turnover

means the **turnover** during that period in the twelve (12) months immediately before the date of the **incident** which corresponds with the **indemnity period**, which will be **trend adjusted**.

3.67. Stock and materials in trade

means stock and materials in trade including work in progress and contents of storage tanks at the **premises** for which **you** are responsible.

3.68. Storm

means rainstorm, windstorm, hurricane, tornado, tempest, cyclone and typhoon but not including **flood** and **earthquake**.

3.69. Subsidiary company

means any company being subsidiary to **you** within the meaning of the Companies Act 2016.

3.70. Sub-limit of indemnity

means the maximum amount for which **we** will indemnify **you** under this **policy** in respect of the insured cause of **damage** or loss, extension, condition or **sub-section** where a **sub-limit of indemnity** is included in the **schedule**.

Unless stated otherwise, the **sub-limits of indemnity** in the **schedule** apply per **occurrence** and in the aggregate and are the maximum amount **we** will pay during any **period of insurance** for all claims regardless of the number of **premises** or other locations to which the claims relate or the number of entities, persons or interested parties making the claim or claims under this **policy**.

Any **sub-limit of indemnity** for a specified cover is deemed to be part of and not in addition to the applicable **sum insured** unless expressly stated otherwise.

The operation of the **sub-limits of indemnity** are set out in the 'General Terms' **section** of this **policy**.

3.71. Sum insured

means the maximum for which **we** will indemnify **you** under this **policy** in respect of all claims during the **period of insurance** for the item of **property insured** or **section** of the **policy** against which the **sum insured** is stated in the **schedule** regardless of the number of entities, persons or interested parties making the claim or claims under this **policy**.

Where **property insured** has a **declared value** then the **sum insured** will be the **declared value** plus the additional uplift as provided in the **schedule**.

The operation of the **sums insured** is set out in the 'General Terms' **section** of this **policy**.

3.72. Temporary total disablement

means the **insured person** being totally disabled and prevented from attending to the whole of his **business** or occupation as a result of bodily **injury** not being **permanent total disablement**, loss of limbs or sight, as otherwise defined in the scale of 'Assault compensation benefits' in the **schedule**.

3.73. Territorial limits

mean the territorial limits described in the **schedule**.

3.74. Transit

means being carried to a destination outside the **premises** by any vehicle, including trailers and containers, by road haulage, post, rail or inland waterways including:

- a) loading and unloading; and
- b) the use of recognised "roll-on, roll-off" vehicle ferries provided no loading or unloading is involved while temporarily housed in the course of being carried to its destination.

3.75. Trend adjusted

means adjustments made to figures to provide for variations in or circumstances affecting the **business** either before or after the **incident** or which would have affected the **business** had the **incident** not occurred, so that the adjusted figures represent the results which but for the **incident** would have been obtained.

Where variations in or circumstances affecting the **business** have the same original cause as the **incident**, the figures will still be adjusted for these but only to the extent that they have already affected the **business** prior to the start of the **indemnity period** and would have continued to affect the **business** during the **indemnity period** had the **incident** not occurred.

3.76. Turnover

means the **money** paid or payable to **you** for goods sold and delivered and for services rendered in the course of the **business** at the **premises**.

3.77. Uninsured Fixed Expenses

means any fixed expenses of the **business** that **you** have deducted in arriving at the **estimated insurable gross profit**.

3.78. United Kingdom

means Great Britain, Northern Ireland, the Channel Islands and the Isle of Man.

3.79. Unoccupied

means any **building** that is owned or used by **you** in the course of the **business** and has become vacant, disused or unfurnished and empty for a period in excess of thirty (30) days.

3.80. Unspecified customers

means **your** customers with whom **you** have a direct contractual relationship.

3.81. Unspecified suppliers

means **your** suppliers with whom **you** have a direct contractual relationship, but not including any suppliers or providers of utility services.

3.82. Valuables

mean gold, silver, jewellery, watches, curiosities/curios, furs, precious metals, precious stones, rare books, sculptures and works of art, or other individual items with an aesthetic quality.

3.83. VAT

means Value Added Tax under the Value Added Tax Act 1994 and as subsequently amended.

3.84. War

means war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, mutiny, revolution, rebellion, insurrection, uprising, military or usurped power or confiscation by order of any public authority or government de jure or de facto or martial law but not including an **act of terrorism**.

3.85. We/our/us

means the party specified as insurer in the **schedule** and any other subscribing insurers, including the **insurer**.

3.86. You/your

means the person, people, company or organisation (including any **subsidiary company**) stated in the **schedule** as insured, including the **insured**.

4. Property Damage section

4.1. Property Damage Cover

We will indemnify **you** in accordance with the 'Basis of settlement' conditions in the 'Other terms and Conditions' **section** for accidental **damage** to the **property insured** provided that:

- a) the **damage** occurs during the **period of insurance**;
- b) unless stated otherwise, the **property insured** is located at the **premises** within the **territorial limits**; and
- c) the amount for which **we** will indemnify **you** will not exceed the **overall loss limit** or in respect of any item its **sum insured** or any applicable **sub-limit of indemnity** stated in the **policy**.

4.2. Reinstatement costs and expenses

Where **damage** has occurred to **buildings** or to **machinery, plant and all other contents** which are covered under this **section**, and where the cost of **reinstatement** is payable under the 'Basis of settlement' provisions in the 'Other terms and Conditions' **section**, **we** will indemnify **you**, as part of the cost of **reinstatement**, for the following costs and expenses that **you** may incur in consequence of the **damage**:

4.2.1. Architects', surveyors', consulting engineers' and other fees

the reasonable and necessary fees of architects, surveyors, consulting engineers and other fees that **you** are reasonably obliged to incur in order to **reinstate** the **buildings** or the **machinery, plant and all other contents**.

4.2.2. Debris removal

the reasonable and necessary costs incurred by **you** in:

- a) removing debris of the **buildings** or the **machinery, plant and all other contents** from the **damaged** property site and the adjacent area within two hundred and fifty meters (250m) of the perimeter of the **damaged** property site;
- b) cleaning or clearing the drains, the sewers and/or the gutters of the **damaged** property site and the adjacent area within two hundred and fifty meters (250m) of the perimeter of the **damaged** property site; and

- c) removing stock debris or extraneous materials from **buildings** or the **machinery, plant and all other contents**.

4.2.3. Public authorities

the additional cost of **reinstatement** of the **buildings** or the **machinery, plant and all other contents** which may be incurred by **you** to comply with any laws, rules or regulations set by national or local government which govern the construction or alteration of buildings or the design or specification of machinery or equipment with which **you** must comply in the country where **you**, or **your** assets, are based, provided that:

- a) the amount recoverable by **you** under this clause will not include any cost incurred, or which **you** were obliged to incur, prior to the happening of the **damage**;
- b) the amount for which **we** will indemnify **you** under this clause in respect of any such **property insured** will be reduced where the terms and conditions of the **policy** elsewhere or this clause provide for a reduction;
- c) **we** will not indemnify **you** under this clause where **you** fail to mitigate losses or unreasonably delay **reinstatement**;
- d) the total amount for which **we** will indemnify **you** under this clause in respect of undamaged portions of **buildings** other than foundations, will not exceed fifteen per cent (15%) of the total amount for which **we** would have indemnified **you** had the **buildings** that have suffered **damage** been destroyed; and
- e) **we** will not indemnify **you** under this clause in respect of undamaged items of **machinery, plant and all other contents**.

4.2.4. Reinstatement costs and expenses - included within, or additional to, sums insured

The amounts for which **we** will indemnify **you** in respect of these 'Reinstatement costs and expenses' fall within the respective **sums insured** for **buildings** or for **machinery, plant and all other contents** unless 'Reinstatement costs and expenses' are shown separately on the **schedule** with separate **sums insured**. If separate **sums insured** are shown on the **schedule** for these costs and expenses then the following provisions will apply:

- a) The definition of **reinstate/reinstatement** is amended to read as follows:

“means the repair or replacement of the **property insured** that has sustained **damage**, to a condition substantially the same as but not better or more extensive than its condition when new, not including, in the case of **damage** to **buildings** or to **machinery, plant and all other contents**, any work or cost or expense covered under the ‘Reinstatement costs and expenses’ **sub-section**.”

- b) In the event that **reinstatement** forms the basis of settlement under the ‘Basis of settlement’ conditions, **we** will indemnify **you** for the ‘Reinstatement costs and expenses’ in addition to the cost of **reinstatement**.
- c) The **sums insured** for ‘Reinstatement costs and expenses’ will apply in addition to the **sum(s) insured** for **buildings** and for **machinery, plant and all other contents** and will apply on a first loss basis.
- d) For the purpose of the ‘Standard underinsurance conditions’, the **sum insured** will be the figure which is stated on the **schedule** as the **sum insured** for **buildings** or for **machinery, plant and all other contents** and will not include the **sums insured** for ‘Reinstatement costs and expenses’.

4.3. Property Damage Standard Extensions

We will indemnify **you** for:

4.3.1. Arson, theft and criminal acts reward costs

the reasonable and necessary costs that **you** incur in paying rewards for information leading to a successful conviction, or information the police believe will lead to a conviction, following **damage** caused by arson, theft or other criminal acts.

If no **sub-limit of indemnity** is shown in the **schedule**, this extension will be subject to a **sub-limit of indemnity** of £10,000 per **occurrence** and in the aggregate.

4.3.2. Contract works

damage to **contract works** for which **you** are legally responsible under the terms of the contract under which the works are being undertaken and which are not insured under any other policy,

provided that the total value of all contracts under which the **contract works** are being undertaken does not exceed £50,000. Where the total value of the contracts exceeds £50,000 **we** shall only indemnify **you** under this extension if **you** have notified **us** prior to the commencement of the works and paid any additional premium **we** require.

If no **sub-limit of indemnity** is shown in the **schedule**, this extension will be subject to a **sub-limit of indemnity** of £50,000 per **occurrence** and in the aggregate.

4.3.3. Continuing plant hire charges

the continuing hire charges that **you** incur as a result of **your** legal obligation while **hired-in plant and equipment** are out of commission in consequence of **damage** to **hired-in plant and equipment** provided that:

- a) **you** have made a claim under this **section** for the **damage**; and
- b) **we** have accepted the claim or would have but for the **excess**.

We will not indemnify **you** in respect of hire charges for any item of constructional plant having a replacement value in excess of the **sub-limit of indemnity** as shown in the **schedule**.

If no **sub-limit of indemnity** is shown in the **schedule**, this extension will be subject to a **sub-limit of indemnity** of £10,000 per **occurrence** and in the aggregate.

4.3.4. Exhibitions and trade fairs

damage to **property insured** while at exhibitions and trade fairs within the **United Kingdom** and European Union, including **transit** directly to and from the exhibition or trade fair, except that **we** will not indemnify **you** for **damage**:

- a) to **valuables**;
- b) from defective packing, faulty assembly or dismantling; or
- c) caused by theft or attempted theft.

Regardless of the above exclusion c), this extension will apply where the theft or attempted theft takes place from a building or a motor vehicle and the theft or attempted theft meets the following conditions:

- i. if the theft or attempted theft takes place from a building, the theft or attempted theft must involve entry to or exit from the building by violent and forcible means, or must arise from robbery or attempted robbery; or

- ii. if the theft or attempted theft takes place from a motor vehicle belonging to or under **your** control the vehicle must be:
 - a) occupied by **you** or **your employee**; or
 - b) if unattended, all doors windows and other means of entry must be closed and locked, and all valuable items locked in secure compartments and hidden from view.

If no **sub-limit of indemnity** is shown in the **schedule**, this extension will be subject to a **sub-limit of indemnity** of £10,000 per **occurrence** and in the aggregate.

4.3.5. Fire extinguishment expenses and emergency services damage

- a) extinguishment expenses necessarily incurred by **you** in order to minimise **damage**;
- b) expenses incurred by **you** in recharging or repairing **damage** to any gas or sprinkler fire extinguishment system; and
- c) fire brigade charges which **you** are legally obliged to pay.

If no **sub-limit of indemnity** is shown in the **schedule**, this extension will be subject to a **sub-limit of indemnity** of £10,000 per **occurrence** and in the aggregate.

4.3.6. Lock replacement

the reasonable and necessary costs incurred by **you** of replacing external locks or safe room locks at the **premises** in consequence of **damage** to the keys occurring at the **premises**, or at the home of **your** principals, directors or partners, or in consequence of a hold-up.

If no **sub-limit of indemnity** is shown in the **schedule**, this extension will be subject to a **sub-limit of indemnity** of £10,000 per **occurrence** and in the aggregate.

4.3.7. Loss mitigation costs

the reasonable and necessary costs incurred by **you** to avoid or mitigate impending **damage** provided that:

- a) the impending **damage** was not previously foreseeable and would have been the natural outcome if such costs were not incurred;

- b) the costs incurred did avoid or mitigate the **damage**; and
- c) the costs incurred do not exceed the indemnity that would have been available under this **policy** for the **damage** avoided.

If no **sub-limit of indemnity** is shown in the **schedule**, this extension will be subject to a **sub-limit of indemnity** of £10,000 per **occurrence** and in the aggregate.

4.3.8. Metered water or gas

any charges for which **you** are legally responsible and unable to recover from any other party, in respect of loss of metered water or gas, provided that:

- a) the loss of water or gas is due to **damage** at the **premises** which is covered under this **section**;
- b) the lost water or gas is measured by the utility meter;
- c) the **building** to which this extension applies remains occupied and in use; and
- d) the amount for which **we** will indemnify **you** in respect of any one **occurrence** is limited to such excess water or gas charges incurred in consequence of **damage**.

If no **sub-limit of indemnity** is shown in the **schedule**, this extension will be subject to a **sub-limit of indemnity** of £10,000 per **occurrence** and in the aggregate.

4.3.9. Motor vehicles parked at the premises

damage to motor vehicles, their contents, accessories and trailers but only whilst situated on the **premises** and caused by fire, lightning, explosion or aircraft.

If no **sub-limit of indemnity** is shown in the **schedule**, this extension will be subject to a **sub-limit of indemnity** of £10,000 per **occurrence** and in the aggregate.

4.3.10. Temporary removal

damage to **machinery, plant and all other contents** while temporarily removed away from the **premises** including the direct **transit** to and from, provided that:

- a) the items temporarily removed are covered under this **section** while at the **premises**; and
- b) **we** will not indemnify **you** for **damage**:
 - i. caused by theft or attempted theft:

- a) from a building unless the theft involves entry to or exit from the building by violent and forcible means; or
- b) from an unattended vehicle unless all doors windows and other means of entry are closed and locked, and all valuable items are locked in secure compartments and hidden from view;

- ii. to property of others held by **you** in trust; or
- iii. to **valuables**.

If no **sub-limit of indemnity** is shown in the **schedule**, this extension will be subject to a **sub-limit of indemnity** of £10,000 per **occurrence** and in the aggregate.

4.3.11. Theft damage to uninsured structures

damage caused by theft from fixed permanent lockable structures at the **premises** for which **you** are responsible but which are not insured by the **policy** unless the structure in question is **unoccupied**.

If no **sub-limit of indemnity** is shown in the **schedule**, this extension will be subject to a **sub-limit of indemnity** of £10,000 per **occurrence** and in the aggregate.

4.3.12. Theft of external parts of structures at the premises

where the **buildings** at the **premises** are insured by this policy, **damage** caused by theft of:

- a) external parts of, or external fittings attached to, the fixed permanent lockable structures at the **premises** which form part of the **buildings** unless the structure in question is **unoccupied**;
- b) security lighting, security cameras and other security or fire protection devices, affixed signs, television, radio, satellite receiving aerials, communication aerials, their fittings and masts affixed to the walls, gates, fences, fixed poles or fixed pylons at the **premises** but not any equipment used for connection to the internet.

If no **sub-limit of indemnity** is shown in the **schedule**, this extension will be subject to a **sub-limit of indemnity** of £10,000 per **occurrence** and in the aggregate.

4.3.13. Undamaged stock

the loss to **you**, less the amount of any salvage monies obtained, in the event of undamaged **stock and materials in trade** becoming unusable for any reason whatsoever resulting solely from **damage**.

If no **sub-limit of indemnity** is shown in the **schedule**, this extension will be subject to a **sub-limit of indemnity** of £10,000 per **occurrence** and in the aggregate.

4.3.14. Undamaged tenants' improvements

in the event of **damage** that is insured by this **section** which directly results in a lease being terminated, the cost to **you** of reimbursing **your** tenants for their undamaged improvements.

If no **sub-limit of indemnity** is shown in the **schedule**, this extension will be subject to a **sub-limit of indemnity** of £10,000 per **occurrence** and in the aggregate.

4.3.15. Valuables

damage to **valuables**.

If no **sub-limit of indemnity** is shown in the **schedule**, this extension will be subject to a **sub-limit of indemnity** of £10,000 per **occurrence** and in the aggregate.

4.4. Property Damage Optional Extensions

We will only indemnify **you** under each of these extensions if the extension is shown as 'INCLUDED' in the **schedule**.

We will indemnify **you** for:

4.4.1. Deterioration of stock

damage by deterioration or putrefaction to **stock and materials in trade** whilst contained within refrigerating units or any other temperature-controlled environment caused by:

- a) change of temperature: the rise or fall in temperatures as a result of:
 - i. the breaking of the unit arising from mechanical or electrical defects;
 - ii. non-operation of the thermostatic or automatic controlling devices forming part of the unit; or
 - iii. accidental failure of the public electricity supply not occasioned by the deliberate act of any utility undertaking; or

- b) contamination caused by sudden and unforeseen leakage of refrigerant or refrigerant fumes from the unit;

provided that for both (a) and (b):

- i. the event giving rise to such deterioration, putrefaction or contamination occurs during the **period of insurance**;
- ii. there is in force a planned maintenance programme; and
- iii. the relevant refrigerating units or any temperature-controlled environment are less than ten (10) years old.

If this extension is shown as 'INCLUDED' and no **sub-limit of indemnity** is shown in the **schedule**, this extension will be subject to a **sub-limit of indemnity** of £10,000 per **occurrence** and in the aggregate.

4.4.2. **Goods in transit**

accidental **damage** to **goods in transit**.

We will also indemnify **you** for the reasonable and necessary costs and expenses incurred by **you** for:

- a) transferring the **goods in transit** to another vehicle;
- b) reloading the **goods in transit** onto the original vehicle for onward delivery or return to the point of origin; or
- c) the removal of debris of the **goods in transit** (but not the vehicle, the trailer or any part thereof);

should the vehicle carrying the **goods in transit** be involved in fire, explosion, collision or overturning.

We will also indemnify **you** for the **actual value** of **employees'** personal property if **damaged** by fire, explosion, theft, collision or overturning of the carrying vehicle, when the **employee** is accompanying **goods in transit**.

We will not indemnify **you** under this extension for:

- a) deterioration of goods conveyed in a refrigerated condition, which results from variation in temperature unless as a result of an accident to the conveying vehicle;
- b) **damage** other than the **damage** expressly and specifically insured under this extension;
- c) breakage of fragile goods unless consequent upon an accident in which the carrying vehicle or vessel is **damaged**;

- d) **damage** caused by or attributable to inadequate packing or stacking or protection against climatic conditions (other than by lightning) or incorrect addressing of any parcel or package;
- e) malicious **damage** or vandalism of **goods in transit** carried in or on open sided / curtained vehicles, or on any vehicle that cannot be secured;
- f) **damage** of or to **valuables, documents, manuscripts**; or
- g) **damage** to **data** caused while in transit;
- h) **damage** caused by or in respect of **property insured** that is subject to the Carriage of Dangerous Goods and Use of Transportable Pressure Equipment Regulations 2009; or
- i) **damage**, loss or interruption or interference caused by theft or attempted theft of goods carried in or on open sided / curtained vehicles, or on any vehicle that cannot be secured.

If this extension is shown as 'INCLUDED' and no **sub-limit of indemnity** is shown in the **schedule**, this extension will be subject to a **sub-limit of indemnity** of £10,000 per **occurrence** and in the aggregate.

4.4.3. **Leased premises difference in conditions / difference in limits (DIC/DIL)**

damage to buildings at the **premises**, for which **you** are legally liable as tenant (but not as owner/freeholder) in accordance with the requirements of a lease and which are not **property insured** under this **policy** but are insured under another more specific insurance policy. The extent of the indemnity provided under this extension is set out below.

We will indemnify **you** under this extension for the difference between the amount recoverable under the other more specific policy and the amount that would have been recoverable under this **policy** had the buildings been insured under this **policy**, provided that **we** will not indemnify **you**:

- a) unless the sum insured under the other more specific policy represents the full amount that would be required to reinstate the buildings in accordance with the basis of cover provided in the other more specific policy;
- b) unless a claim for the **damage** has first been submitted to the insurer of the other more specific policy;

- c) if **you** had become aware, prior to the **damage**, that the landlord had not insured the buildings either at all or to the full extent required by the lease and failed to take prompt action to arrange alternative insurance;
- d) if **you** were required under the lease to insure the buildings;
- e) if the other more specific policy has been cancelled, has lapsed, or been avoided, or cover has been declined as a result of a breach of the policy's terms or conditions, as a result of an act or omission for which **you** are responsible;
- f) for any deductible or excess applicable to the other more specific policy;
- g) for the **deductible** or **excess** that would have been payable had the buildings been insured under this **policy**;
- h) for loss or **damage** directly or indirectly caused by or resulting from, or in connection with, an **act of terrorism**;
- i) for losses arising from underinsurance; or
- j) for any amount recoverable under **your** public or general liability policy.

References in this extension to "buildings" will include fixtures and fittings.

If this extension is shown as 'INCLUDED' and no **sub-limit of indemnity** is shown in the **schedule**, this extension will be subject to a **sub-limit of indemnity** of £10,000 per **occurrence** and in the aggregate.

4.4.4. Money damage and assault

accidental **damage** to **money**, but this does not include loss or **damage** to **money** contained in any unattended vehicle or occasioned by errors or omissions.

Where the value of **money** in **transit** exceeds £2,500 **you** must arrange for the **money** to be accompanied as follows:

- a) over £2,500 and up to £5,000 - at least two (2) able bodied adults;
- b) over £5,000 and up to £10,000 - at least three (3) able bodied adults;
- c) over £10,000 - by a professional security company.

You will ensure that any safe containing **money** is securely locked and all keys or combination numbers to that safe are kept in a secure place away from the **building** or portion of the **building** containing the safe.

If an **insured person** is **assaulted**, we will pay **you** the compensation benefit for **assault** provided that:

- i. for each category of **injury** to the **insured person**, the amount for which **we** will indemnify **you** will not exceed the amount of compensation stated in the 'Assault compensation benefits' in the **schedule**;
- ii. death, loss of limb, loss of eye, **permanent total disablement** or **temporary total disablement** must follow within twenty-four (24) months from the date of the **assault**; and
- iii. the amount of compensation payable will not exceed eighty per cent (80%) of the **insured person's** normal gross weekly remuneration.

This is limited to the payment of one item of benefit under the 'Assault compensation benefits' in the **schedule** to any one **insured person**. The **sub-limit of indemnity** under this extension will apply per **occurrence**.

If this extension is shown as 'INCLUDED' and no **sub-limit of indemnity** is shown in the **schedule**, this extension will be subject to a **sub-limit of indemnity** of £2,500 per **occurrence** and in the aggregate.

4.4.5. Rent payable

where there is **damage** to **buildings** not owned by **you** of a kind not excluded by this **section**, for either:

- a) the rent paid or payable by **you** for the lease of the **buildings** in the course of the **business** for the unexpired term of the lease or, if sooner, until the **buildings** are repaired to a condition fit for habitation; or
 - b) the proportion of the rent paid or payable for the untenable or unusable part of the **building** that would otherwise be occupied by **you**;
- provided that in either case:
- i. any **building** which is leased or rented by **you** becomes untenable or unusable in consequence of **damage**; and
 - ii. the lease or rental agreement requires continuation of the rent to be paid.

If this extension is shown as 'INCLUDED' and no **sub-limit of indemnity** is shown in the **schedule**,

this extension will be subject to a **sub-limit of indemnity** of £10,000 per **occurrence** and in the aggregate.

4.4.6. **Third party storage locations**

damage to property insured while at storage locations which are not owned or occupied by **you**.

If this extension is shown as 'INCLUDED' and no **sub-limit of indemnity** is shown in the **schedule**, this extension will be subject to a **sub-limit of indemnity** of £10,000 per **occurrence** and in the aggregate.

5. Business Interruption section

5.1. Business Interruption Cover

We will indemnify **you** in accordance with the terms of this **section** for each item shown as 'INCLUDED' in the **schedule** to the extent of any applicable **sum insured, overall loss limit** or **sub-limit of indemnity**, for loss resulting from the interruption of or interference with the **business** caused by an **incident**.

Except that **we** will not indemnify **you** where at the time of any **damage** to property at the **premises** occurs there is not in force either:

- a) cover for such **damage** under the 'Property Damage' **section** of the **policy**; or
- b) an insurance policy covering **your** interest in the property at the **premises** against such **damage**

and payment has been made or liability accepted for such **damage**.

In the event that the cover **you** have arranged either under this **policy** or another insurance policy is not adequate to fund the prompt replacement, repair or **reinstatement** of the **damaged** property, **we** will not indemnify **you** for any increase in your loss that this causes.

5.1.1. Wide area occurrence

The following provision will apply to any claims under this **section** where the **incident** consists of **damage** to property used by **you** at the **premises** for the purpose of the **business**:

During the period in which **damage** is being **reinstated**, **we** will not reduce the payment to **you** in the event that other effects of the **occurrence** which caused the **damage** to property have increased the loss **you** have suffered as a result of the **damage**.

However, once the **damage** has been **reinstated** and where other effects of the **occurrence** that caused the **damage** to property have increased any ongoing loss that **you** have suffered beyond the loss that the **damage** would have caused by itself, **we** will not indemnify **you** for that increase in **your** loss.

5.1.2. Estimated insurable gross profit

We will indemnify **you** for loss caused by a shortfall in **turnover** and/or increased cost of working, less savings. The indemnity under this **section** in

respect of **estimated insurable gross profit** will be:

- a) in respect of loss caused by a shortfall in **turnover**:
the amount produced by applying the **rate of gross profit** to the amount by which the **turnover** during the **indemnity period** does, in consequence of the **incident**, fall short of the **standard turnover**; and/or
- b) in respect of increased cost of working:
the additional expenditure, reasonably and necessarily incurred for the sole purpose of reducing the shortfall in **turnover** that would otherwise have occurred during the **indemnity period** in consequence of the **incident**, but not exceeding the amount produced by applying the **rate of gross profit** to the amount of the shortfall in **turnover** that **you** reasonably anticipated would thereby be avoided at the time the expenditure was incurred.

However, in relation to both a) and b):

- i. any amount saved during the **indemnity period** in respect of costs and expenses of the **business** payable out of or chargeable to **insurable gross profit** which are no longer due or are reduced in consequence of the **incident** will be deducted; and
- ii. in calculating the increased cost of working, the amount of additional expenditure that will be taken into account will be reduced by the proportion that the **estimated insurable gross profit** bears to the sum of the amounts of the **estimated insurable gross profit** and the **uninsured fixed expenses**.

5.1.3. Estimated gross revenue

We will indemnify **you** for loss caused by a shortfall in **gross revenue** and/or increased cost of working. The indemnity under this **section** in respect of **estimated gross revenue** will be:

- a) in respect of the shortfall in **gross revenue**:
the amount by which the **gross revenue** during the **indemnity period** does, in consequence of the **incident**, fall short of the **standard gross revenue**; and/or
- b) in respect of increased cost of working:

the additional expenditure, reasonably and necessarily incurred for the sole purpose of reducing the shortfall in **gross revenue** which would otherwise have occurred during the **indemnity period** in consequence of the **incident** but not exceeding the amount of the shortfall in **gross revenue** that **you** reasonably anticipated would be avoided at the time the expenditure was incurred.

However, in relation to both a) and b) any amount saved during the **indemnity period** in respect of such of the charges and expenses of the **business** payable out of or chargeable to **gross revenue** as may cease or be reduced in consequence of the **incident** will be deducted.

5.1.4. Additional increased cost of working

We will indemnify **you** for the additional expenditure reasonably and necessarily incurred for the sole purpose of maintaining the **business** during the **indemnity period** in excess of the amount recoverable under paragraphs a) and b) of the 'Estimated gross revenue' or 'Estimated insurable gross profit' **sub-sections**.

We will not indemnify **you** for expenditure incurred in repairing or replacing any item of property that could have been insured under the 'Property Damage' **section** of this **policy** but which **you** chose not to insure, or for any shortfall in the amounts recoverable under the 'Property Damage' **section** of this **policy** or any other policy covering **your** interest in the property due to the inadequacy of the relevant **sum insured**.

5.1.5. Increased cost of working - standalone

We will indemnify **you** for the increased expenditure reasonably and necessarily incurred by **you** for the sole purpose of avoiding or diminishing the interruption of or interference with the **business** which but for that expenditure would have taken place during the **indemnity period** in consequence of the **incident**.

We will not indemnify **you** for expenditure incurred in repairing or replacing any item of property that could have been insured under the 'Property Damage' **section** of this **policy** but which **you** chose not to insure, or for any shortfall in the amounts recoverable under the 'Property Damage' **section** of this **policy** or any other policy covering **your** interest in the property due to the inadequacy of the relevant **sum insured**.

5.1.6. Rent receivable

We will indemnify **you** for a shortfall in **rent receivable** and increased cost of working and the amount for which **we** will indemnify **you** under this **section** will be:

- a) in respect of the shortfall in **rent receivable**: the amount by which, in consequence of **damage** to the **premises**, the **rent receivable** during the **indemnity period** falls short of the **standard rent receivable**; and/or
- b) in respect of increased cost of working: the additional expenditure reasonably and necessarily incurred in reducing the shortfall in **rent receivable** which would have taken place during the **indemnity period** in consequence of the **damage** to the **premises** but not exceeding the amount of the shortfall in rent receivable that **you** reasonably anticipated would be avoided at the time the expenditure was incurred.

However, in relation to both a) and b):

- i. this cover will not be available under any of the extensions within the 'Business Interruption' **section**;
- ii. any amount saved during the **indemnity period** in respect of the expenses and charges payable out of or chargeable to **rent receivable** as may cease or be reduced in consequence of the **damage** will be deducted; and
- iii. where at the time of **damage** there is a valid lease or license, **we** will only indemnify **you** to the extent that the **damage** gives rise to a contractual right for the tenant to cease payment of rent.
- iv. if the **sum insured** in respect of **rent receivable** is less than the **standard rent receivable** (or a proportionately increased multiple thereof where the **maximum indemnity period** exceeds twelve (12) months), the indemnity **we** will pay to **you** will be proportionately reduced.

5.1.7. Outstanding debit balances

We will indemnify **you** for loss of income resulting from **your** inability to trace or establish **outstanding debit balances** caused by **damage** during the **period of insurance** to the records of

accounts receivable used by **you** at the **premises** for the purpose of the **business**, provided that:

- a) the amount **we** will pay **you** will be proportionately reduced if at the time of any **damage** the **sum insured** is less than the actual **outstanding debit balances**; and
- b) all paper records/accounts are kept in a fire resisting cabinet or safe when not in use.

In addition, **we** will pay reasonable and necessary expenses incurred in tracing and establishing customers' debit balances after the **damage**.

After payment of any claim hereunder, all amounts recovered by **you** on accounts receivable for which **you** have been indemnified for **outstanding debit balances** will belong and be paid immediately to **us** by **you** up to the total amount of loss paid by **us**.

However, this cover will not be available under any of the extensions within the 'Business Interruption' **section**.

We will not indemnify **you** for loss which falls within the 'Cyber risks' exclusion.

5.1.8. Professional accountants

We will indemnify **you** for the reasonable and necessary charges payable by **you** to professional accountants for producing:

- a) such particulars or details contained in **your** books/records that are not readily available to **you** or that **you** do not routinely produce; and
- b) any other evidence as may be required by **us** that is not readily available to **you** or that **you** do not routinely produce;

for the purpose of investigating or evidencing any claim made under this **section**, provided that at the time of loss such professional accountants are regularly acting as such for **you**.

5.2. Business Interruption Optional Extensions

We will only indemnify **you** under each of these extensions if the extension is shown as 'INCLUDED' in the **schedule**.

We will indemnify **you** for:

5.2.1. Denial of access (damage)

loss resulting from interruption of or interference with the **business** as insured by this **section** directly and solely caused by **damage** to property (of a type and by a cause that would be covered under this **policy** were it to happen at **your**

premises) entirely within and not extending beyond one (1) mile of the perimeter of the **premises** or such distance as is specified in the **schedule** which physically prevents access to the **premises**.

We will not indemnify **you** for loss:

- a) occurring during any period other than the actual period of prevention of physical access to the **premises**; or
- b) directly or indirectly caused by, contributed to by, or arising out of or in connection with **damage** to property beyond (1) mile of the **premises**.

Unless specifically varied by the **schedule**, this extension will be subject to a **maximum indemnity period** of three (3) months.

If this extension is shown as 'INCLUDED' and no **sub-limit of indemnity** is shown in the **schedule**, this extension will be subject to a **sub-limit of indemnity** of £10,000 per **occurrence**.

5.2.2. Denial of access (non-damage)

loss resulting from interruption of or interference with the **business** as insured by this **section** directly and solely caused by:

- a) action by the Police or any Local Authority in consequence of danger or disturbance entirely within and not extending beyond one (1) mile of the perimeter of the **premises** or such alternative distance as is specified in the **schedule** which prevents physical access to the **premises**; or
- b) prevention of physical access to the **premises** in consequence of the **premises** containing or being thought to contain a harmful device provided **you** inform the Police immediately of the presence or suspected presence of the harmful device.

However **we** will not indemnify **you** under this extension for loss:

- i. occurring during any period other than the actual period of prevention of physical access to the **premises**;
- ii. directly or indirectly caused by, contributed to by, or arising out of or in connection with a danger or disturbance beyond (1) mile of the **premises**;

- iii. resulting from any cause within **your** control;
- iv. resulting from **damage** to property; or
- v. resulting from the obstruction of roads, streets or other rights of way by weather or climatic conditions

Unless specifically varied by the **schedule**, this extension will be subject to a **maximum indemnity period** of three (3) months.

If this extension is shown as 'INCLUDED' and no **sub-limit of indemnity** is shown in the **schedule**, this extension will be subject to a **sub-limit of indemnity** of £10,000 per **occurrence** and in the aggregate.

We will not indemnify **you** for loss which falls within the **communicable disease** exclusion.

5.2.3. **Loss of attraction**

loss resulting from interruption of or interference with the **business** as insured by this **section** in consequence of diminution of attraction to the **premises** caused directly and solely by **damage** to property (of a type and by a cause that would be covered under this **policy** were it to happen at **your premises**) occurring entirely within and not extending beyond one (1) mile of the perimeter of those **premises** or such distance as is specified in the **schedule**.

However we will not indemnify **you** for loss:

- a) relating to any of **your premises** not within one (1) mile (or such distance as is specified in the **schedule**) of the **damage**; or
- b) directly or indirectly caused by, contributed to by, or arising out of or in connection with **damage** to property beyond (1) mile of the **premises**.

Unless specifically varied by the **schedule**, this extension will be subject to a **maximum indemnity period** of three (3) months.

If this extension is shown as 'INCLUDED' and no **sub-limit of indemnity** is shown in the **schedule**, this extension will be subject to a **sub-limit of indemnity** of £10,000 per **occurrence** and in the aggregate.

5.2.4. **Miscellaneous storage locations**

loss resulting from interruption of or interference with the **business** as insured by this **section** caused directly and solely by **damage** to property

(of a type and by a cause that would be covered under this **policy** were it to happen at **your premises**) at premises not owned or occupied by **you** but used by **you** for storage.

However, **we** will not indemnify **you** under this extension for:

- a) **damage** at storage locations outside the **United Kingdom**; or
- b) **damage** at the premises of **your** customers and suppliers.

If this extension is shown as 'INCLUDED' and no **sub-limit of indemnity** is shown in the **schedule**, this extension will be subject to a **sub-limit of indemnity** of £10,000 per **occurrence**.

5.2.5. **Public utilities**

loss resulting from interruption of or interference with the **business** as insured by this **section** caused directly and solely by failure at the **premises** of:

- a) the supply of electricity at the terminal ends of the utility service feeders;
- b) the supply of gas at the supply utility meters;
- c) the supply of water at the supply utility main stopcock; or
- d) the supply of telecommunication services at the incoming line terminal or receivers.

However, **we** will not indemnify **you** under this extension for interruption or interference with the **business**:

- i. caused by internet outage or disruption or any other loss which falls within the 'Cyber risks' exclusion.
- ii. resulting from the deliberate act or decision of any utility supply undertaking or public authority in cutting off, withholding, restricting or rationing, whether planned in advance or not, or the exercise by any such utility undertaking, government or public authority of its power to cut off, withhold, restrict or ration supply or services;
- iii. resulting from strikes or any labour or trade dispute;
- iv. resulting from actions taken in pursuit of political, religious, ideological or similar purposes, including in relation to climate or environmental concerns, by any person or group(s) of persons whether acting alone or on behalf

of or in connection with any organisation(s) or government(s) de jure or de facto, regardless of whether this loss also falls within the 'War and terrorism' exclusion.

- v. resulting from drought;
- vi. resulting from any other atmospheric or weather conditions, but not excluding accidental failure due to **damage** to supply utility equipment caused by such conditions;
- vii. caused by **damage** to electricity, gas, water or telecommunications transmission lines or pipes for which **you** are responsible; or
- viii. caused by **damage** to, or failure of, any satellite.

Unless specifically varied by the **schedule**, this extension will be subject to a **maximum indemnity period** of three (3) months.

If this extension is shown as 'INCLUDED' and no **sub-limit of indemnity** is shown in the **schedule**, this extension will be subject to a **sub-limit of indemnity** of £10,000 per **occurrence**.

5.2.6. **Research and development**

the reasonable and necessary expenditure incurred to reinstate the research and development programme of the **business** which is interrupted directly and solely as a result of **damage** to property at the **premises**, to the state the programme was at immediately prior to the **damage**.

If this extension is shown as 'INCLUDED' and no **sub-limit of indemnity** is shown in the **schedule**, this extension will be subject to a **sub-limit of indemnity** of £10,000 per **occurrence**.

5.2.7. **Specified customers' premises**

loss resulting from interruption of or interference with the **business** as insured by this **section** directly and solely caused by **damage** to property (of a type and by a cause that would be covered under this **policy** were it to happen at **your premises**) at the premises of **your** specified customers (as specified in the **schedule**).

However, **we** will not indemnify **you** under this extension for interruption or interference caused by **damage** to premises of specified customers outside the **United Kingdom** by any cause other than **damage** by fire, lightning, explosion or aircraft impact.

Unless specifically varied by the **schedule**, this extension will be subject to a **maximum indemnity period** of three (3) months.

If this extension is shown as 'INCLUDED' and no **sub-limit of indemnity** is shown in the **schedule**, this extension will be subject to a **sub-limit of indemnity** of £10,000 per **occurrence**.

5.2.8. **Specified suppliers' premises**

loss resulting from interruption of or interference with the **business** as insured by this **section** directly and solely caused by **damage** to property (of a type and by a cause that would be covered under this **policy** were it to happen at **your premises**) at the premises of **your** specified suppliers (as specified in the **schedule**).

However, **we** will not indemnify **you** under this extension for:

- a) interruption or interference caused by **damage** to the premises and the lines, pipes, cables and masts of **your** utility service providers; or
- b) interruption or interference caused by **damage** to premises of specified suppliers outside the **United Kingdom** by any cause other than **damage** by fire, lightning, explosion or aircraft impact.

Unless specifically varied by the **schedule**, this extension will be subject to a **maximum indemnity period** of three (3) months.

If this extension is shown as 'INCLUDED' and no **sub-limit of indemnity** is shown in the **schedule**, this extension will be subject to a **sub-limit of indemnity** of £10,000 per **occurrence**.

5.2.9. **Specified disease, murder or suicide, food or drink poisoning**

loss resulting from interruption of or interference with the **business** as insured by this **section** caused by **your** inability to use the **premises** because they have been physically closed or sealed off in whole or part on the order of a competent public authority directly and solely in consequence of any of the following events:

- a) an incidence of a **specified disease**:
 - i. entirely at and not extending beyond the **premises**; or
 - ii. attributable to food or drink supplied from the **premises**;
- b) the discovery of any organism entirely at and not outside the **premises** likely to result in an incidence of a **specified disease**;

- c) the discovery of vermin or pests entirely at and not outside the **premises**;
- d) an accident causing defects in the drains or other sanitary arrangements entirely at and not outside the **premises**; or
- e) an incidence of murder, manslaughter or suicide entirely at and not outside the **premises**.

We will only indemnify **you** for loss arising at those **premises** which are directly subject to an event in (a) to (e) above.

We will not indemnify **you** under this extension for any costs incurred to clean-up, detoxify, remove, monitor, test, repair, replace, recall or check the **premises** or any property at the **premises**.

We will also not indemnify **you** under this extension for loss resulting from closure of the **premises** imposed on the order of a public authority caused directly or indirectly by an incidence at the **premises** of any disease that is or subsequently becomes:

- i. declared or treated as an epidemic, pandemic, or Public Health Emergency of International Concern by the World Health Organisation or any organisation undertaking substantially the same function; or
- ii. identified as a major health incident in the **United Kingdom**, for which a Scientific Advisory Group for Emergencies (SAGE) or equivalent body or public authority has been activated by the Cabinet Office Briefing Rooms (COBR) or other successor bodies.

Once any disease has been so declared, treated or identified in accordance with i. or ii. of this extension, then for the purposes of this **policy** it will be deemed that the disease was so declared, treated or identified at the commencement of its outbreak within the **territorial limits** and **we** will not indemnify **you** under this extension in respect of any period before or after this date of commencement.

Unless specifically varied by the **schedule**, this extension will be subject to a **maximum indemnity period** of three (3) months.

If this extension is shown as 'INCLUDED' and no **sub-limit of indemnity** is shown in the **schedule**, this extension will be subject to a **sub-limit of indemnity** of £10,000 per **occurrence** and in the aggregate.

Specified disease means any of the following:

- a) Acute encephalitis

- b) Acute meningitis
- c) Acute poliomyelitis
- d) Acute infectious hepatitis
- e) Anthrax
- f) Botulism
- g) Brucellosis
- h) Bubonic plague
- i) Cholera
- j) Diphtheria
- k) Enteric fever (typhoid or paratyphoid fever)
- l) Food poisoning
- m) Haemolytic uraemic syndrome (HUS)
- n) Infectious bloody diarrhoea
- o) Invasive group A streptococcal disease and scarlet fever
- p) Legionnaires' Disease
- q) Leprosy
- r) Malaria
- s) Measles
- t) Meningococcal septicaemia
- u) Mumps
- v) Rabies
- w) Rubella
- x) Smallpox
- y) Tetanus
- z) Tuberculosis
- aa) Typhus
- bb) Viral haemorrhagic fever (VHF)
- cc) Whooping cough
- dd) Yellow fever

5.2.10. **Unspecified customers' premises**

loss resulting from interruption of or interference with the **business** as insured by this **section** directly and solely caused by **damage** to property (of a type and by a cause that would be covered under this **policy** were it to happen at **your premises**) at the premises of **your unspecified customers**.

However, **we** will not indemnify **you** under this extension for interruption or interference caused by **damage** to premises of **unspecified customers** outside the **United Kingdom**.

Unless specifically varied by the **schedule**, this extension will be subject to a **maximum indemnity period** of three (3) months.

If this extension is shown as 'INCLUDED' and no **sub-limit of indemnity** is shown in the **schedule**, this extension will be subject to a **sub-limit of indemnity** of £10,000 per **occurrence**.

5.2.11. **Unspecified suppliers' premises**

loss resulting from interruption of or interference with the **business** as insured by this **section** directly and solely caused by **damage** to property (of a type and by a cause that would be covered under this **policy** were it to happen at **your premises**) at the premises of **your unspecified suppliers**.

However, **we** will not indemnify **you** under this extension for interruption or interference caused by **damage** to premises of **unspecified suppliers** outside the **United Kingdom**.

Unless specifically varied by the **schedule**, this extension will be subject to a **maximum indemnity period** of three (3) months.

If this extension is shown as 'INCLUDED' and no **sub-limit of indemnity** is shown in the **schedule**, this extension will be subject to a **sub-limit of indemnity** of £10,000 per **occurrence**.

6. Extensions for the Property Damage and Business Interruption sections

The following extensions apply to the Property Damage and Business Interruption **sections**.

The **sub-limits** will apply (on the basis set out in each extension) to the total of all claims under both the Property Damage and Business Interruption **sections** in relation to that extension.

6.1. Property Damage and Business Interruption standard extensions

We will indemnify **you** for:

6.1.1. New acquisitions

damage of a kind not excluded by any other provision of this **policy** within the **territorial limits**, and resulting interruption of or interference with the **business**, to:

- a) any newly acquired property automatically upon acquisition (other than **stock and materials in trade**); and
- b) any alterations, additions and improvements to **buildings**;

during the **period of insurance** provided that:

- i. **you** undertake to give particulars of such newly acquired property at the expiry date of the **period of insurance** or, if longer than twelve (12) months, at each twelve (12) month anniversary of the commencement of the **period of insurance** and to retrospectively insure the newly acquired **property** to the date of acquisition;
- ii. **we** will be entitled to charge, and **you** will pay, an appropriate additional premium pro rata from the date of acquisition of the newly acquired **property**;
- iii. **we** may vary the terms of the **policy** in respect of such newly acquired property;
- iv. **we** will not indemnify **you** for any appreciation in value that may accrue to any **buildings** following any alterations, additions and improvements; and
- v. in the event that **you** acquire property of a value that exceeds the **sub-limit of indemnity** shown in the **schedule** for 'New acquisitions', then **you** will provide

details to **us** in accordance with the 'Material changes during the policy period' clause set out in the 'General Conditions'.

This extension is subject to the EU Coverage provision within the 'General Terms' **section**.

If no **sub-limit of indemnity** is shown in the **schedule**, this extension will be subject to a **sub-limit of indemnity** of £10,000 per **occurrence** and in the aggregate.

6.1.2. Public relations expenses

the reasonable and necessary public relations expenses, directly relating to the protection of **your** brand image or reputation as may be impacted by the negative press coverage caused by **damage** and any resulting interruption or interference with the **business** that is insured under this **policy**.

If no **sub-limit of indemnity** is shown in the **schedule**, this extension will be subject to a **sub-limit of indemnity** of £10,000 per **occurrence** and in the aggregate.

6.1.3. Trace and access

the reasonable and necessary costs incurred by **you**, and resulting interruption of or interference with the **business**, in locating the source of any escape of water or fuel oil from any any fixed water services or heating installation, including any subsequent repairs to **damage** unavoidably caused during the work taken to locate the source of the escape, except **we** will not indemnify **you** for the cost of repairs to any fixed water services or heating installation unless these would be covered under the **policy** in the absence of this extension.

If no **sub-limit of indemnity** is shown in the **schedule**, this extension will be subject to a **sub-limit of indemnity** of £10,000 per **occurrence** and in the aggregate.

6.2. Property Damage and Business Interruption optional extensions

We will only indemnify **you** under each of these extensions if the extension is shown as 'INCLUDED' in the **schedule**.

We will indemnify **you** for:

6.2.1. Computer breakdown

- a) **damage** to computer equipment owned or operated by **you** at the **premises**, and

resulting interruption of or interference with the **business**, caused by its **breakdown**;

- b) additional expenditure reasonably incurred by **you** for the sole purpose of minimising the interruption of or interference with the use of **computer equipment** owned or operated by **you** at the **premises** caused by its **breakdown**; and
- c) loss resulting from interruption of or interference with the **business** caused by the erasure, destruction, corruption or distortion of software or **electronic data** stored on **computer equipment** caused by its **breakdown**.

However, **we** will not indemnify **you** for **damage**, or resulting loss or interruption or interference with the **business**, caused by **breakdown** of **computer equipment**:

- i. unless there is in force an approved maintenance agreement which applies to that item of **computer equipment**;
- ii. for which any manufacturer, supplier or agent is responsible under the terms of a guarantee or maintenance agreement;
- iii. for which **you** are relieved of responsibility under any rental, hire or lease agreement;
- iv. caused by a deliberate act of an electricity supply undertaking in withholding the supply of electricity unless for the sole purpose of safeguarding human life;
- v. caused by the inability of an electricity supply undertaking to maintain the supply system due to industrial action by its employees;
- vi. which occurs when using telecommunications equipment which is not approved by the telecommunications regulatory authority;
- vii. which occurs when using unproven software which has not been finalised or which has not passed all the testing procedures, or which has not been successfully proven;
- viii. caused by programming errors or design defects in software;
- ix. directly or indirectly caused by, contributed to by, or arising out of or in connection with internet

outage or disruption or any other loss which falls within the 'Cyber risks' exclusion regardless of any other cause or event contributing concurrently or in any other sequence thereto;

- x. directly or indirectly caused by, contributed to by, or arising out of or in connection with any cause which originates outside the **computer equipment**, other than the failure or fluctuation of the electricity supply.

If this extension is shown as 'INCLUDED' and no **sub-limits of indemnity** are shown in the **schedule**, this extension will be subject to a **sub-limit of indemnity** of £10,000 per **occurrence** and in the aggregate for a), b) and c) combined but within this **sub-limit of indemnity** our total liability to **you** for all claims under b) will not exceed £5,000 per **occurrence** and in the aggregate, and **our** total liability to **you** for all claims under c) will not exceed £5,000 per **occurrence** and in the aggregate.

6.2.2. **Energy performance and sustainable buildings**

the reasonable and necessary additional costs of **reinstatement** of the **damaged building**, and resulting interruption of or interference with the **business**, that **you** incur to:

- a) conform with the recommendation report contained in the current Energy Performance Certificate issued by an accredited assessor; and
- b) **reinstate** the **damaged buildings** to a standard above the minimum required under any laws, rules or regulations set by national or local government which govern the construction or alteration of **buildings** with which **you** must comply in the country where **you**, or **your** assets, are based;

arising from the use of alternative materials or sources of materials in accordance with the principles of the Building Research Establishment Environmental Assessment Method and rating system for buildings (BREEAM) core standards.

We will not indemnify **you** for alterations to any undamaged portions of the **buildings**.

In the event that the amount for which **we** will indemnify **you** in respect of any **buildings** is reduced by the application of the Underinsurance conditions (which are set out in the 'Underinsurance' **sub-section**), then the amount for which **we** will indemnify **you** under this

extension in respect of such **buildings** will be reduced in like proportion.

If this extension is shown as 'INCLUDED' and no **sub-limit of indemnity** is shown in the **schedule**, this extension will be subject to a **sub-limit of indemnity** of £10,000 per **occurrence** and in the aggregate.

6.2.3. Flood resilience

the reasonable and necessary costs incurred by **you**, and resulting interruption of or interference with the **business**, in:

- a) the utilisation of materials with improved water resilience in the repair or **reinstatement** of the **buildings**; and
- b) the relocation within the same **building** of replacement fixtures and fittings to an area less exposed to **damage** by water arising from **flood**.

If this extension is shown as 'INCLUDED' and no **sub-limit of indemnity** is shown in the **schedule**, this extension will be subject to a **sub-limit of indemnity** of £10,000 per **occurrence** and in the aggregate.

6.2.4. Inadvertent errors and omissions

damage to any **buildings, machinery, plant and all other contents**, and **stock and materials in trade** for which **you** are responsible and which are not otherwise insured under this **policy**, and resulting interruption of or interference with the **business**, due to an inadvertent omission or error or an incorrect description of the **property insured**, provided that:

- a) notice is given to **us** as soon as practical upon discovery of any such error or omission;
- b) **you** pay any extra premium on all such property as from the inception of the **policy** or from the date **your** interest in such property is acquired; and
- c) this extension will not be construed to cover any property or cause that would otherwise be excluded by the **policy**.

If this extension is shown as 'INCLUDED' and no **sub-limit of indemnity** is shown in the **schedule**, this extension will be subject to a **sub-limit of indemnity** of £10,000 per **occurrence** and in the aggregate.

6.2.5. Machinery breakdown

damage to **plant and machinery** insured, and resulting interruption of or interference with the **business**, caused by:

- a) its **breakdown**;

- b) the error or omission of the operator(s) during the normal operation of the **plant and machinery** other than in respect of failure to maintain or wilful negligence or a malicious act;
- c) **pressure explosion** or collapse where the **plant and machinery** are operated under steam or other fluid pressure and are owned or leased by **you**, or operated under **your** control; or
- d) the fracturing of any part of the **plant and machinery** by frost when such fracture renders that part of the **plant and machinery** inoperative.

We will also indemnify **you** for the reasonable and necessary costs incurred by **you** in taking exceptional measures to avoid or mitigate impending machinery **breakdown** or the necessary hire of substitute **plant and machinery**.

However, with regard to **plant and machinery** we will not indemnify **you** for:

- i. **breakdown** of or **damage** to any experimental items or prototypes, and resulting interruption of or interference with the **business**;
- ii. the cost of maintenance work;
- iii. **breakdown** of or **damage** to any safety or protective device caused by its operation, and resulting interruption of or interference with the **business**;
- iv. **breakdown** of or **damage** to parts, bits, tools or similar items that require periodic replacement, and resulting interruption of or interference with the **business**;
- v. scratching of painted or polished surfaces;
- vi. **breakdown** or **damage**, and resulting interruption of or interference with the **business**, caused by **transit**;
- vii. **breakdown** or **damage**, and resulting interruption of or interference with the **business**, caused by the conditions of any test, experiment, inspection or the use of abnormal working conditions, unless occurring without **your** knowledge or consent;
- viii. **breakdown** of or **damage** to **plant and machinery** kept in the open, and resulting interruption of or interference with the **business**,

- ix. unless it is designed and capable of being kept in the open; **breakdown** or **damage**, and resulting interruption of or interference with the **business**, for which any manufacturer, supplier or agent is responsible under the terms of a guarantee or maintenance agreement;
- x. for which **you** are relieved of responsibility under any rental, hire or lease agreement;
- xi. caused by a deliberate act of an electricity supply undertaking in withholding the supply of electricity unless for the sole purpose of safeguarding human life;
- xii. caused by the inability of an electricity supply undertaking to maintain the supply system due to industrial action by its employees
- xiii. directly or indirectly caused by, contributed to by, or arising out of or in connection with internet outage or disruption or any other loss which falls within the 'Cyber risks' exclusion regardless of any other cause or event contributing concurrently or in any other sequence thereto;
- xiv. **breakdown** or **damage**, and resulting interruption of or interference with the **business**, directly or indirectly caused by, contributed to by, or arising out of or in connection with any cause which originates outside the item of **plant and machinery** which has suffered the **breakdown** or **damage**, other than those causes expressly covered at (b) and (d) of this extension or the failure or fluctuation of the electricity supply

If this extension is shown as 'INCLUDED' and no **sub-limit of indemnity** is shown in the **schedule**, this extension will be subject to a **sub-limit of indemnity** of £10,000 per **occurrence** and in the aggregate.

6.2.6. Professional support fees

the costs incurred by **you** in respect of reasonable and necessary fees paid to architects, engineers or other professionals (other than professional accountants) for producing details contained in **your** books or **documents**, or such other evidence required by **us** resulting from an **incident** for which **we** have accepted that this **policy** will respond.

We will not indemnify **you** for the fees and costs of legal advisors or loss assessors, nor the fees and costs of any consultants who provide consultation on coverage or negotiate claims.

The **sub-limit of indemnity** under this extension will fall within the applicable **sub-limit of indemnity** or **sum insured** for the claim to which the costs relate.

If this extension is shown as 'INCLUDED' and no **sub-limit of indemnity** is shown in the **schedule**, this extension will be subject to a **sub-limit of indemnity** of £10,000 per **occurrence** and in the aggregate.

7. Other Terms and Conditions section

The following conditions apply to the 'Property Damage' and 'Business Interruption' **sections**, or to just one **section** where expressly stated, in addition to the 'General Terms'.

7.1. Property Damage and Business Interruption:

7.1.1. Designation

For the purpose of determining where necessary the heading under which any property is insured, **we** will accept the reasonable designation under which such property has been entered in **your** books/accounts.

7.1.2. Hot works – CONDITIONS PRECEDENT

We will only indemnify **you** under the **policy** if you comply with the following conditions precedent:

Where work involving use of a naked flame or other heat source or oxyacetylene, electric arc or similar welding, cutting, grinding or other spark emitting equipment by any person (whether a third-party contractor, an **employee** or other) is carried out at the **premises**:

- a) a hot work permit in the form set out in Loss Prevention Recommendation RC7 published by the Fire Protection Association (FPA) or the QBE Hot Work Permit or such similar permit or documentation, is completed by an appropriately trained, competent and authorised person before such work commences; and
- b) the precautions and systems of work shown on the designated hot work permit are complied with at each stage of the work.

7.1.3. Non-invalidating

In the event of an inadvertent act or omission or alteration which increases the risk of **damage** or loss of a kind which is not subject to a **policy** exclusion, and which occurs without **your** authority or knowledge or beyond **your** control, such material alteration will not invalidate this **policy**, provided that:

- a) **you** have taken all reasonable steps to bring the requirements of the **policy** to the attention of all **employees**, agents or third parties who have responsibility for the operation and management of those aspects of your **business** that are the

subject of express obligations imposed by this **policy**; and

- b) **you** immediately (and in any event within two (2) working days) on knowledge of such act, omission or alteration, give notice to **us**.

Following notification under this clause, **we** will be entitled to impose additional **policy** terms, cancel the **policy** or charge additional premium at **our** discretion.

7.1.4. Prevention of further loss

In addition to the 'Minimisation of risk' condition within the 'General Terms' **section**, on the happening of any **occurrence** which might result in a claim under the 'Machinery breakdown' extension, **you** will:

- a) immediately notify and send written confirmation to **us** (and in any event within two (2) working days);
- b) discontinue the use of any **damaged plant and machinery** unless **we** authorise otherwise until such **plant and machinery** will have been repaired to **our** satisfaction; and
- c) keep for inspection by **us** any **damaged** parts which are replaced.

7.1.5. Fire and security systems – CONDITIONS PRECEDENT

We will only indemnify **you** under the **policy** if **you** comply with the following conditions precedent:

You will ensure that:

- a) all intruder prevention/detection or security systems or appliances, CCTV and remote monitoring equipment, fire extinguishers, smoke or heat detectors, fire alarm systems and sprinkler systems installed at the **premises** are:
 - i. installed in accordance with the manufacturer's or installer's specification;
 - ii. not altered, varied or affected without **our** prior written consent;
 - iii. in full working order at all times; and
 - iv. regularly serviced under an annual maintenance contract entered into with the manufacturer, installer or an independent security or fire protection specialist;
- b) the fire alarm is tested at least weekly;
- c) the intruder alarm, CCTV and remote monitoring equipment are set whenever

the protected portion of the **premises** is closed for **business** or **unoccupied**;

- d) the sprinkler system and its water supplies are inspected and tested weekly to ascertain they are in working order and that control valves are in the fully open position;
- e) the fire extinguishers are visually inspected regularly to ensure that they are in position, have not been discharged or tampered with and any defect is remedied promptly;
- f) all reasonable steps are taken to ensure that the sprinkler system is protected from frost insofar as **your** responsibility extends to maintaining the installation.
- g) **we** are notified as soon as reasonably practicable (and in any event within thirty (30) days) of any defects or lapses in the protection devices and systems detailed in this condition and such defects are remedied promptly;
- h) any third party monitoring or response services (including by the Police) for **your** fire or intruder alarm or CCTV or any security guard attendance notified to **us** prior to inception or renewal of this **policy**, or which **we** have required **you** to put in place, will not be varied or terminated without **our** prior written approval; and
- i) available keyholders are notified to all appropriate monitoring or response services.

Provided that cover under this **policy** will not be invalidated by any defect in the said devices and systems due to circumstances beyond **your** control arising after the systems have been properly set and provided all servicing and maintenance required by this condition has been successfully carried out and no outstanding defects have been left unremedied.

7.1.6. Fire and security systems – Notification of termination of maintenance / monitoring

If **you** receive notification from:

- a) the maintenance contractors that the maintenance of **your** fire or intruder alarm or CCTV is suspended; or
- b) the Police or third party monitoring service that signals from **your** fire or intruder alarm or CCTV will no longer be monitored or answered;

you must inform **us** within five (5) working days. If **you** fail to inform **us** within this period then, from the end of this period, all cover under this **policy** for **damage** by fire or theft will be excluded.

If **you** inform **us** within the required period, **we** will be entitled to impose additional terms or conditions precedent and/or charge additional premium as a condition of continuing to provide cover for **damage** by fire or theft.

7.1.7. Reinstatement of limits or sums insured following loss

In the event of a **sum insured** becoming reduced or exhausted on account of a claim under this **policy** then at **your** request **we** may at **our** sole discretion agree that the available **sum insured** will not be reduced by the amount of any loss, in consideration of which **we** reserve the right to charge an additional premium.

7.1.8. Savings

If any sums are payable to **you** under the 'Property Damage' **section** which reduce the ongoing charges and expenses of the **business** during the **indemnity period**, any such amounts will be treated as savings in the calculation of the indemnity payable under the 'Business Interruption' **section**.

7.1.9. Series losses

If the development or discovery of a defect in any of the **plant and machinery**, as covered under the 'Machinery breakdown' extension, indicates or suggests that a similar defect exists in other parts of the **plant and machinery**, **we** will not indemnify **you** for any losses arising from **your** failure to investigate and rectify such defects.

7.1.10. Single occurrence – Specified Perils

All claims for losses caused by the following perils happening within seventy-two (72) consecutive hours will be deemed to be a single **occurrence** even where the losses do not share the same original cause:

- a) **earthquake, flood, or storm**; and
- b) riot, civil commotion, malicious **damage** and vandalism but only within the limits of one (1) borough, city, town or village.

Where losses caused by these perils happen over a period of greater duration than the above seventy-two (72) hour periods, **you** may decide to divide those losses into two (2) or more **occurrences** provided that:

- i. no two (2) periods overlap; and
- ii. the losses have separate original causes and so would not otherwise be aggregated as a single **occurrence** under this **policy**.

Any consecutive seventy-two (72) hour period which extends beyond the expiry or cancellation date will be considered to fall entirely within the **period of insurance**.

7.1.11. **Unoccupied buildings – CONDITIONS PRECEDENT**

In the event of **damage** to **unoccupied buildings** caused by fire, explosion, lightning, **earthquake**, aircraft, other aerial device, satellite, missile or articles which impact upon **unoccupied buildings**, **we** will only indemnify **you** under the **policy** if **you** have complied with the following conditions precedent:

- a) **you** have given **us** notice that the **building** is or will become **unoccupied**;
- b) **you** have paid any **extra** premium and complied with any additional conditions **we** may require to provide cover in respect of such **unoccupied buildings**;
- c) within seven (7) days prior to or upon commencement of this **policy** or the **building** becoming **unoccupied**, **you** or **your** nominee have carried out a detailed inspection of all doors, windows and other access points to ensure that they are secure against unauthorised entry and document the inspection including any signs of forced entry or occupation by unauthorised persons and detailed any action required to make the **building** secure;
- d) during the **period of insurance** **you** or **your** nominee have inspected the **building** every seven (7) days, keeping a written record. All measures to prevent unauthorised entry or **damage** must be implemented but if such measures have proved inadequate, improvements to prevent further reoccurrences must be made and documented and notified to **us**;
- e) if **you** become aware of an attempt at unlawful entry or vandalism at the **buildings** during the **period of insurance** **you** must give notice of these to **us** within five (5) working days. **We** will then have the right to cancel cover or impose any additional terms or charge such additional premium as **we** see fit;
- f) all main services have been turned off and water tanks drained to prevent **damage** caused by escaping water;
- g) all combustible materials have been removed from inside and outside the **buildings** to prevent **damage** by fire; and

- h) **you** have notified **us** immediately (and in any event within two (2) working days) if the **buildings** are to be occupied by contractors or tenants for renovation, alteration or conversion purposes.

7.2. **Property Damage only:**

The following conditions apply to the 'Property Damage' **section** only.

7.2.1. **Basis of settlement**

In the event of **damage** to **property insured** under the **policy** the indemnity **we** will pay to **you** will be calculated as follows:

- a) on **buildings** not awaiting demolition and all other **property insured** where the basis of settlement is not more specifically stated below:
 - i. the cost of **reinstatement** if **you** complete the work of **reinstatement** within a reasonable time of the **damage**; or
 - ii. should **you** decide not to **reinstate** or fail to complete the work within a reasonable time, the **actual value**.
- b) on **buildings** awaiting demolition, the reasonable and necessary costs of securing the **building** and removing debris which are incurred by **you** solely as a result of the **damage**;
- c) on **stock and materials in trade** that are unsold, the cost of production, including materials and labour, to restore the stock to the condition prior to the **damage**;
- d) on raw materials, supplies and other merchandise not manufactured by **you**:
 - i. the expenditure incurred in repairing or replacing the **damaged** property; or
 - ii. if not repaired or replaced, the **actual value**;
- e) on **documents**, the value of the materials as stationery and the additional cost of clerical labour in writing up and not for the value of the information contained therein;
- f) on **valuables**, the lesser of:
 - i. the reasonable and necessary cost to repair or restore such property to the condition that existed on the date of loss prior to the **damage**;
 - ii. the cost to replace the article; or

- iii. the value, if any, stated in the **schedule** pertaining to the specific article;
- g) only where covered under the 'Computer Breakdown' extension on **computer equipment**, the cost of repairing or replacing, however if the **computer equipment** is obsolete after **damage** and beyond economic repair, **we** agree to the replacement with **computer equipment** that fulfils the same function and up to the same cost as that **damaged computer equipment** when new;
- h) on **employees'**, directors' or visitors' property, the cost of repairing or replacing the item(s) as new, whichever is the lesser;
- i) on motor vehicles the **actual value**;
- j) only where covered under the 'Machinery breakdown' extension, on **plant and machinery** which is less than or equal to ten (10) years old from the time of purchase as new:
 - i. the repair and restoration of the portion suffering **breakdown** to a working condition substantially the same as but not better or more extensive than its condition when new;
 - ii. if it cannot be economically repaired, the replacement by new **plant and machinery** of equal performance, or the replacement by new **plant and machinery** having the nearest overall performance to the **damaged plant and machinery**; and
 - iii. if **you** elect and **we** agree not to repair or replace the **damaged plant and machinery**, the indemnity **we** will pay to **you** will not exceed the **actual value** of the **plant and machinery** immediately prior to the **occurrence** of the **damage**.
- k) only where covered under the 'Machinery breakdown' extension, on **plant and machinery** which is more than ten (10) years old, **we** will, at **our** own option, either:
 - i. indemnify **you** for the **actual value** at the time of the **damage**; or
 - ii. indemnify **you** for the cost of repair to a condition substantially the same as but not better or more extensive than the condition at the

time of the **breakdown**, or the cost to replace or **reinstate**, but not beyond the **actual value** of the **plant and machinery** at the time of the **damage**.

7.2.2. **Contract price**

In respect of goods sold, but not delivered, for which **you** are responsible under a contract of sale, if the contract of sale is cancelled wholly or in part by reason of the **damage**, the indemnity **we** will pay to **you** will be based on the contract price of the goods and in the event of underinsurance the value of all goods to which this clause would in the event of **damage** be applicable will be ascertained on the same basis.

7.2.3. **Contracting purchaser**

A purchaser of any **building** insured under the 'Property Damage' **section** where the sale completes after **damage** has been caused (but who was contracted to purchase the **building** before **damage**) will benefit from the insurance under this **section** to the extent that the **building** is not otherwise insured by the purchaser and without prejudice to any rights and liabilities of **you** or **us**.

7.2.4. **Contractor's interest**

When **you** are required by the terms or conditions of any contract to insure the **buildings** and **machinery, plant and all other contents** in joint names with any contractor or sub-contractor undertaking **contract works** at the **premises we** will note the interest of the contractor or sub-contractor as a joint insured under this **policy** but only to the extent of your legal obligation to effect such joint insurance under the relevant contract.

This term will not apply where the total value of the **contract works** is greater than £50,000 unless **you** have notified **us** prior to the commencement of the works and paid any additional premium **we** require.

7.2.5. **Day One (1) basis – non-adjustable**

For each item of **property insured** specified as insured on a 'Day One (1)' basis in the **schedule**, **we** agree to calculate the premium upon the **declared value** provided that **you** notify **us** of the **declared value** of each such item at inception and renewal of the **policy** (in the absence of such a notification, **we** will take the last amount declared by **you** as the **declared value** for the ensuing **period of insurance**).

7.2.6. **Involuntary betterment**

Where **property insured** is **damaged** and requires replacement and similar property is not obtainable, **we** agree:

- a) to provide, without deduction for betterment, replacement similar property capable of performing the same function; and
- b) to provide any necessary technologically current equipment due to incompatibility between the replacement equipment and the undamaged existing equipment at the same location.

We will not indemnify **you** for more than the amount sufficient to enable **you** to resume operations in substantially the same manner as before the **damage**.

7.2.7. Pairs and set settlement basis

Any indemnity **we** pay to **you** under this **policy** will include the resulting reduction in value of the remaining undamaged components or parts of products customarily sold as individual units or sold as pairs, sets or lots or ranges of sizes or colours.

7.2.8. Underinsurance conditions

Each item of **property insured** is, to the extent specified in the **schedule** as being covered on a **sum insured** basis, subject to the following conditions of underinsurance:

- a) Day one (1) basis underinsurance condition
Where **property insured** is specified as insured on a 'Day One (1)' basis in the **schedule** then if at the time of loss the **declared value** of the **property insured** is less than the cost of **reinstatement** that would have been incurred at inception of the **period of insurance** if the **property insured** had been completely destroyed, then the indemnity **we** will pay to **you** for any loss hereby insured will be limited to that proportion thereof which the **declared value** bears to the cost of **reinstatement**; and
- b) Standard underinsurance condition
Where **property insured** is not specified as insured on a 'Day One (1)' basis in the **schedule** then if at the commencement of any **damage** the **sum insured** is less than the maximum amount for which **we** could be liable to indemnify **you** under the 'Basis of settlement conditions' if the **property insured** had been completely destroyed, then the indemnity **we** will pay to **you** for any loss hereby insured will be limited to that proportion thereof which the **sum insured** bears to the maximum amount for which **we** could be liable to indemnify **you** under the 'Basis of settlement' conditions if the **property insured** had been completely destroyed.

7.3. Business Interruption only:

The following conditions apply to the 'Business Interruption' **section** only.

7.3.1. Alternative trading

If during the **indemnity period** goods are sold or services rendered remotely, or via the internet from the **premises**, or elsewhere than at the **premises** for the benefit of the **business**, either by **you** or a **group company** or by others on **your** behalf, the amount received by **you** or them in respect of such sales or services will be brought into account in calculating the **turnover** during the **indemnity period**.

7.3.2. Accumulated stock

In adjusting any loss, **we** will consider and make an equitable allowance if any reduction in **turnover** due to the **damage** is postponed up to a maximum of twelve (12) months beyond the end of the **maximum indemnity period** by reason of the **turnover** being temporarily maintained from accumulated stocks of finished goods, including for the cost of recreating or replacing stock thereby used.

7.3.3. Declaration linked condition

The following conditions apply:

- a) prior to each renewal **you** must provide figures for the **estimated insurable gross profit** or **estimated gross revenue** to be insured. These figures are to be calculated for the financial year most nearly concurrent with the ensuing **period of insurance** (proportionately increased where the **maximum indemnity period** is greater than twelve (12) months);
- b) the first and annual premiums in respect of **estimated insurable gross profit** or **estimated gross revenue** are provisional and calculated on the basis of the figures **you** have provided in accordance with a) above;
- c) no later than six (6) months after the expiry of each **period of insurance** **you** must provide **us** with a declaration certified by **your** usual professional accountants of the **insurable gross profit** or **gross revenue** earned during the financial year most nearly concurrent with the **period of insurance**;
- d) if a claim has been made for loss of **insurable gross profit** or **gross revenue** suffered during the period covered by the declaration provided at c), the amounts paid or to be paid by **us** for

loss during that period will, for the purposes of premium calculation under this clause, be added to the amount certified in the declaration, excluding payments under the 'Additional increased cost of working' clause;

- e) if the amount certified in the declaration for **insurable gross profit** or **gross revenue** (adjusted as provided at d) and proportionately increased where the **maximum indemnity period** is greater than twelve (12) months) is less than the **estimated insurable gross profit** or **estimated gross revenue** for the corresponding **period of insurance** we will refund **you** a proportionate amount of the premium **you** have paid on the **estimated insurable gross profit** or **estimated gross revenue** but not exceeding fifty percent (50%) of such premium;
- f) if the amount certified in the declaration for **insurable gross profit** or **gross revenue** (adjusted as provided at d) and proportionately increased where the **maximum indemnity period** is greater than twelve (12) months) is greater than the **estimated insurable gross profit** or **estimated gross revenue** for the corresponding **period of insurance** you must pay a proportionate additional premium on the **estimated insurable gross profit** or **estimated gross revenue**;
- g) the 'Underinsurance conditions' in this **section** will not apply except as set out in h) below; and
- h) if the **insurable gross profit** or **gross revenue** that would, but for the **incident**, have been earned during the financial year most nearly concurrent with the **period of insurance** exceeds 150% of the **estimated insurable gross profit** or **estimated gross revenue** respectively (proportionately reduced in either case to an annual figure where the **maximum indemnity period** is greater than 12 (twelve) months), then the amount for which **we** will indemnify **you** for any loss hereby insured will be limited to that proportion which the **estimated insurable gross profit** or **estimated gross revenue** (proportionately reduced to an annual figure if required) bears to the **insurable gross profit** or **gross revenue** that would, but for the **incident**, have been earned during the financial

year most nearly concurrent with the **period of insurance**.

7.3.4. Departmental

If the **business** is conducted in departments and the independent trading results of each department are ascertainable and can be distinguished from each other, the provisions of the 'Business Interruption' **section** will apply separately to each department affected by the **damage** except that, if the **sum insured** is less than the aggregate of the amounts of the **insurable gross profit** or **gross revenue** as stated in the **schedule** for each department of the **business** (whether affected by the **incident** or not), the indemnity **we** will pay to **you** will be reduced pro rata accordingly.

7.3.5. Payments on account

Where **we** have confirmed that the **policy** provides cover under the 'Business Interruption' **section** then if **you** so request, **we** will make reasonable payments to **you** monthly on account during the **indemnity period**, provided always that if the total adjusted loss under this **sub-section** differs from the total of the payments made under this clause, then **you** or **we** agree to pay or return the difference accordingly.

7.3.6. Salvage sale

If in consequence of **damage** giving rise to a claim **you** hold a salvage sale during the **indemnity period**, the shortfall in **turnover** item of the 'Estimated insurable gross profit' clause of the 'Business Interruption' **section** will for the purpose of such claim read as follows:

"In respect of loss caused by a shortfall in **turnover**: the amount produced by applying the **rate of gross profit** to the amount by which the **turnover** during the **indemnity period** (less the **turnover** for the period of the salvage sale) does, in consequence of the **damage**, fall short of the **standard turnover**, from which amount will be deducted the **insurable gross profit** actually earned during the period of the salvage sale."

7.3.7. Value Added Tax (VAT)

All terms in the 'Business Interruption' **section** will be exclusive of VAT to the extent that **you** are accountable to the tax authorities for such tax.

8. Terrorism section

8.1. Terrorism Definitions

In addition to the defined terms contained in the 'General Definitions' **section**, the following definitions apply only to this **section**. These definitions replace any equivalent definition contained in the 'General Definitions' **section**.

8.1.1. Act of terrorism

means acts of persons acting on behalf of, or in connection with, any organisation which carries out activities directed towards the overthrowing or influencing, by force or violence, of Her Majesty's government in the United Kingdom or any other government de jure or de facto.

8.1.2. Computer system/computer systems

means a computer or other equipment or component or system or item which processes stores transmits or receives **data**.

8.1.3. Data

means data of any sort, including without limitation tangible or intangible data, and any programs or software, bandwidth, cryptographic keys, databases, documents, domain names or network addresses or anything similar, files, interfaces, metadata, platforms, processing capability, storage media, transaction gateways, user credentials, websites or any information whatever.

8.1.4. Denial of service attack

means any actions or instructions constructed or generated with the ability to damage, interfere with or otherwise affect the availability or performance of networks, network services, network connectivity or **computer systems**. **Denial of service attacks** include, but are not limited to, the generation of excess traffic into network addresses, the exploitation of system or network weaknesses, the generation of excess or non-genuine traffic between and amongst networks and the procurement of such actions or instructions by other **computer systems**.

8.1.5. Eligible insured sections

means any **sections** shown as 'INCLUDED' in the **schedule** providing direct insurance cover for the risk of fire and/or explosion (either alone or with other perils) for any of the following heads of cover:

- a) buildings and completed structures;
- b) other property (including contents, engineering, contractors and computers)
- c) business interruption;
- d) book debts

provided always that each eligible insured **section** will be deemed to be a separate eligible insured

section whether the item insured is insured under separate policies, under separate terms of a policy or under separate sections of combined or package policies.

8.1.6. Hacking

means unauthorised access to any **computer system**, whether **your** property or not.

8.1.7. Nuclear installation

means any installation of such class or description as may be prescribed by regulations made by the relevant Secretary of State from time to time by statutory instrument, being an installation designed or adapted for:

- a) the production or use of atomic energy;
- b) the carrying out of any process which is preparatory or ancillary to the production or use of atomic energy and which involves or is capable of causing the emission of ionising radiations; or
- c) the storage, processing or disposal of nuclear fuel or of bulk quantities of other radioactive matter, being matter which has been produced or irradiated in the course of the production or use of nuclear fuel.

8.1.8. Nuclear reactor

means any plant (including any machinery, equipment or appliance, whether affixed to land or not) designed or adapted for the production of atomic energy by a fission process in which a controlled chain reaction can be maintained without an additional source of neutrons.

8.1.9. Phishing

means any access or attempted access to **data** made by means of misrepresentation or deception.

8.1.10. Property

means all property whatsoever, but excluding:

- a) any land or building which is occupied as a private residence or any part thereof which is so occupied, unless:
 - i. insured under the same contract of direct insurance as the remainder of the building which is not a private residence;
 - ii. not insured in the name of an individual; or
 - iii. insured in the name of an individual, and the commercial element of the building occupies more than twenty percent (20%) of the building.

For the purpose of this clause, a trustee, beneficiary, executor of a will or sole trader is not deemed to be an individual unless they occupy the premises or any part thereof as their own private residence.

- b) any **nuclear installation** or **nuclear reactor** and all fixtures and fittings situated thereon and attached thereto and all pipes wires cables drains or other conduits or service media of any description which are affixed or connected to or in any way serve such **nuclear installation** or **nuclear reactor**.
- c) For the purposes of the 'Virus or similar mechanism, hacking, phishing or denial of service' exclusion in the 'Terrorism Exclusions', **property** will exclude:
 - i. any **money**, currency, electronic cryptographic or virtual currency including Bitcoin or anything similar, negotiable or non-negotiable instruments, financial securities or any other financial instrument of any sort whatever; and
 - ii. any **data**.

8.1.11. Specified losses

means:

- a) the cost of reinstatement, replacement or repair in respect of damage to or destruction of **your property** insured by **you**; or
- b) the amount of business interruption loss suffered directly by **you** by way of loss of or reduction in profits, revenue or turnover or increased cost of working and not by way of liability to any third party as a direct result of either damage to or destruction of **your property** insured by **you** or as a direct result of denial, prevention or hindrance of access to or use of **your property** insured by **you** by reason of an **act of terrorism** causing damage to other **property** within one (1) mile of **your property** to which access is affected.

8.1.12. Specified perils

means fire, explosion, flood, escape of water from any tank, apparatus or pipe (including any sprinkler system), impact of aircraft or any aerial devices or articles dropped from them, impact of any sea-going or water-going vessel or of any vehicle whatsoever or of any goods or cargo carried in or on such vessel or vehicle, destruction of, damage

to or movement of buildings or structures, plant or machinery other than any **computer systems**.

8.1.13. Territory

means England and Wales and Scotland but not the territorial seas adjacent thereto as defined by the Territorial Sea Act 1987, nor Northern Ireland nor the Isle of Man nor the Channel Islands.

8.1.14. Virus or similar mechanism

means program code, programming instruction or any set of instructions constructed with the purpose and ability, or purposely used, to damage, interfere with, adversely affect, infiltrate or monitor computer programs, **computer systems**, **data** or operations, whether involving self-replication or not. **Virus or similar mechanism** includes but is not limited to trojan horses, worms and logic bombs and the exploitation of bugs or vulnerabilities in a computer program to damage, interfere with, adversely affect, infiltrate or monitor as above.

8.2. Terrorism loss cover

Subject to the application of any applicable **excess** or **deductible**, **we** will indemnify **you** in accordance with the terms of this **section** for losses arising under the **eligible insured sections** as a result of damage to or destruction of **property** in the **territory**, the proximate cause of which is an **act of terrorism**, provided that the **act of terrorism**:

- a) occurs in the **territory** during the **period of insurance**; and
- b) is certified by HM Treasury or a competent tribunal from time to time as an **act of terrorism**;

provided that in any action, suit or other proceedings where **we** allege that any damage or costs and expenses are not covered by the **policy**, the burden of proving the contrary will be upon **you**, save for clauses 8.3.1(b)iii. and 8.3.1(c) where the burden of proof will be upon **us**.

8.3. Limitations and exclusions applicable to this section

The general policy exclusions do not apply to this **section**. Instead, the following are specifically excluded from the insurance under this **section**.

8.3.1. Virus or similar mechanism, hacking, phishing or denial of service

- a) Any losses whatsoever directly or indirectly caused by, contributed to by, or arising from or occasioned by or resulting from:
 - i. damage to or the destruction of any **computer system**; or

- ii. any alteration, modification, distortion, erasure, or corruption of **data**

in each case whether **your** property or not, where such loss is directly or indirectly caused by or contributed to by or arising from or occasioned by or resulting from a **virus or similar mechanism or hacking or phishing or denial of service attack**.

- b) Covered losses otherwise falling within this exclusion will not be treated as excluded by this clause solely to the extent that such loss:

- i. results directly from any of the **specified perils**;
- ii. comprises any of the **specified losses**; and
- iii. is not proximately caused by an **act of terrorism** in relation to which the relevant organisation or any persons acting on behalf of or in connection with that organisation are controlled by, acting on behalf of or part of any de jure or de facto government of any nation, country or state.

- c) Notwithstanding the exclusion of **data** from the definition of **property** in this **section**:

- i. to the extent that damage to or destruction of **property** comprises any of the **specified losses**; and
- ii. that damage or destruction indirectly results from any alteration, modification, distortion, erasure or corruption of **data**;

the fact that a **specified peril** results directly or indirectly from any alteration, modification, distortion, erasure or corruption of **data** will not prevent cost or business interruption loss directly resulting from damage to or destruction of such **property** (and otherwise falling within **specified losses** or **specified perils**) from being recoverable under this **section**.

In no other circumstances, however, will any loss or losses directly or indirectly caused by, contributed to by or arising from or occasioned by or resulting from any alteration, modification, distortion, erasure or corruption of **data** be recoverable under this **section**.

8.3.2. War

Any losses whatsoever occasioned by riot, civil commotion, war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military or usurped power.

8.4. Other terms and conditions applicable to this section

- a) The amount for which **we** will indemnify **you** under this **section** in any one (1) **period of insurance** will not exceed the **sum insured** stated in the **schedule** for the applicable **section** shown as insured in the **schedule** in respect of all losses arising out of any one (1) **occurrence**.
- b) Where the **period of insurance** shown in the **schedule** is for a period greater than twelve (12) months, the cover provided by this **section** will only apply for a period of twelve (12) months and will be subject to renewal at each annual anniversary.

8.4.1. Restricted terms

The insurance provided by this **section** is subject otherwise to all the terms and conditions of this **policy** except that any:

- a) long term undertaking;
- b) terms which provide for adjustments of premium based upon declarations on expiry or during the **period of insurance**; and
- c) coverage in respect of **premises** to locations outside England and Wales and Scotland;

will not apply to losses covered under this **section**.

9. General Exclusions section

The following general exclusions apply to all **sections** and **sub-sections** of this **policy** including any extensions.

In some cases a general exclusion has particular relevance to the cover provided under an extension and so it is highlighted in the extension. However, in such cases (i) the extension in question remains subject to all other general exclusions and (ii) the exclusion so highlighted remains applicable to all other parts of the **policy** and not just the extension where it is highlighted.

We will not indemnify **you** for:

9.1. Aircraft travelling at supersonic speeds

damage, or loss or interruption or interference caused by pressure waves from aircraft, drones, other aerial device travelling at supersonic speeds.

9.2. Asbestos

damage to asbestos, or loss or interruption or interference caused by **damage** to **asbestos** unless the **asbestos** is physically incorporated in **property insured** and then only that part of the **asbestos** which has been physically **damaged** by fire, lightning, explosion, aircraft, **earthquake** or underground fire, provided always that:

- a) the said **property insured** must be insured under the 'Property Damage' **section** against fire, lightning, explosion, aircraft, **earthquake** or underground fire;
- b) fire, lightning, explosion, aircraft, **earthquake** or underground fire must be the immediate sole cause of the **damage** to the **asbestos**;
- c) **we** will not indemnify **you** for:
 - i. any faults in the design manufacture or installation of the **asbestos**;
 - ii. **asbestos** not **damaged** by fire, lightning, explosion, aircraft, **earthquake** or underground fire;
 - iii. demolition or increased cost of reconstruction, repair, debris removal or loss of use necessitated by the enforcement of any regulation;
 - iv. any regulation declaring that **asbestos** present in or part of or utilised on any undamaged portion

of the **property insured** can no longer be used for the purpose of which it was intended or installed and must be removed or modified.

9.3. Boiler explosion and failure

- a) **damage**, or loss or interruption or interference caused by explosion, failure or collapse of a boiler (but not a boiler or economiser used for domestic purposes only), economiser, machine or pipe work at the **premises** in which internal pressure is due to steam only belonging to **you** or under **your** control; and
- b) **damage**, or loss or interruption or interference caused by joint leakage failure of welds, cracking, fracturing, collapse or overheating of boilers, economisers, superheaters, pressure vessels of any range of steam, and feed piping in connection therewith; and
- c) any losses ensuing from (a) and (b) above.

But this exclusion will not apply to:

- i. **damage** covered under the 'Machinery breakdown' extension if shown as 'INCLUDED' in the **schedule**;
- ii. any subsequent **damage** resulting from an ensuing cause which is not otherwise excluded.

9.4. Communicable disease

damage, loss, interruption or interference, claim, cost, expense or other amount, directly or indirectly caused by, contributed to by, or arising out of or in connection with:

- a) a **communicable disease**;
- b) the fear or threat (whether actual or perceived) of a **communicable disease**;
- c) any action taken, restrictions imposed or advice or instructions given by any competent authority (including, but not limited to, the Police or other emergency services, local or national government, statutory bodies or professional or regulatory bodies) in connection with the investigation, suppression or prevention of either a **communicable disease** or the feared or potential spread of a **communicable disease**;

regardless of any other cause or event contributing concurrently or in any other sequence thereto and subject to the provisions below.

For the purposes of this exclusion, loss, **damage**, claim, cost, expense or other amount, includes, but is not limited to, any cost to clean-up, detoxify, remove, monitor or test:

- i. For a **communicable disease**, or
- ii. any **property insured** in the **policy** that is affected by such **communicable disease**.

This exclusion will not apply to any claim or loss for which cover is expressly provided under the 'Specified disease, murder or suicide, food or drink or poisoning' extension of the **policy** if shown as 'INCLUDED' in the **schedule**.

9.5. Confiscation

damage, or loss or interruption or interference directly or indirectly caused by, contributed to by, or arising out of or in connection with, in whatever form, confiscation or expropriation of property by any acts of a public authority, regardless of any other cause or event contributing concurrently or in any other sequence thereto.

9.6. Indirect loss

any form of financial loss or interruption or interference that results from **damage** unless expressly stated as being insured by the **policy**.

9.7. Cyber risks

- a) **cyber loss** including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any **cyber loss**; and
- b) **damage**, loss, interruption or interference, liability, claim, cost or expense of whatsoever nature directly or indirectly **caused** by, contributed to by, or arising out of or in connection with any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any **data**, including any amount pertaining to the value of such **data**;

regardless of any other cause or event contributing concurrently or in any other sequence thereto, and subject to the provisions below.

However:

- i. paragraph a) above will not apply to any **damage** to **property insured** and resulting business interruption under this **policy** caused by any fire or explosion directly and solely caused by a **cyber event** although paragraph a) will continue to apply where the **cyber event** is itself caused by a **cyber act**;

- ii. paragraph a) above will not apply to any claim, loss or **damage** for which **we** would otherwise indemnify **you** under the 'Machinery breakdown' extension in this **policy**, if this is shown as 'INCLUDED' in the **schedule**, although paragraph a) will continue to apply where the claim, loss or **damage** is directly or indirectly caused by a **cyber act**;
- iii. paragraphs a) and b) above will not apply to any claim, loss or **damage** for which **we** would otherwise indemnify **you** under the 'Computer breakdown' extension in this **policy**, if this is shown as 'INCLUDED' in the **schedule**, although paragraphs a) and b) will continue to apply where the claim, loss or **damage** is directly or indirectly caused by a **cyber act**.

Paragraph b) above will be subject to the proviso that, should **data processing media** owned or operated by **you** suffer **damage** insured by this **policy**, then this **policy** will cover the cost to repair or replace the **data processing media** itself plus the costs of copying the **electronic data** from back-up or from originals of a previous generation. These costs will not include research and engineering nor any costs of recreating, gathering or assembling the **electronic data**. If such media is not repaired, replaced or restored the basis of valuation will be the cost of the blank **data processing media**. However, this **policy** excludes any amount pertaining to the value of **electronic data**, to **you** or any other party, even if such **electronic data** cannot be recreated, gathered or assembled, other than to the extent that such cover is provided under the 'Computer breakdown' extension, if this is shown as 'INCLUDED' in the **schedule**.

This exclusion will not apply to any claim or loss for which cover is expressly provided under the 'Terrorism' section of in the **policy** if this is shown as 'INCLUDED' in the **schedule**.

9.8. Deliberate acts

damage deliberately or recklessly caused by any of **your** principals, directors, or partners but this exclusion does not apply to **damage** resulting from the use of reasonable force to protect persons or property against a peril not excluded by the **policy**.

9.9. Electrical or mechanical breakdown

damage, or loss or interruption or interference, caused by electrical or mechanical **breakdown** or failure including but not limited to overrunning, overheating or short-circuiting in addition to losses ensuing from the above;

but this exclusion will not apply to:

- a) loss which would otherwise be indemnified by the 'Computer breakdown' extension in this **policy**;
- b) loss which would otherwise be indemnified by the 'Machinery breakdown' extension in this **policy**;
- c) any subsequent **damage** resulting from an ensuing cause which is not otherwise excluded.

9.10. Excluded property

- a) **damage** to the following property, or interruption of or interference with **your business** caused by or resulting from **damage** to or in connection with:
 - i. livestock, bloodstock, fishstock, growing crops or trees;
 - ii. watercraft or aircraft or other aerial devices;
 - iii. railway locomotives or rolling stock or their accessories;
 - iv. motor vehicles or their contents, accessories, caravans or trailers except for such vehicles that are not licensed for road use or which are covered under the 'Motor vehicles parked at the premises' extension;
 - v. **money**, bullion, foreign coins, counterfeit or substitute **money** except as specifically covered under the "Money damage and assault" ;
 - vi. land, piers, jetties, bridges, culverts or excavations;
 - vii. property in the course of erection or installation except as specifically covered by the 'Contract works' extension;
 - viii. property in **transit** except as specifically covered in the 'Temporary removal' or 'Goods in transit' extensions;
 - ix. explosives; or
 - x. **valuables** except as specifically covered under the 'Valuables' extension to the 'Property Damage' **section**.

- b) **damage** to moveable property in the open, gates or fences, unless:

- i. specified otherwise in the **schedule**;
- ii. the **damage** is caused by fire (other than arson), lightning, aircraft, explosion, **earthquake**, riot, civil commotion, or impact and the property is designed and capable of being kept in the open; or
- iii. the loss is covered under the 'Machinery breakdown' extension and the property is designed and capable of being kept in the open.

9.11. Faulty workmanship

damage, or loss or interruption or interference caused by defective design, latent defect, the use of defective materials, operator error, faulty workmanship or other inherent flaw, except this clause does not apply to the 'Machinery breakdown' extension.

But this exclusion will not apply to **damage** resulting from an ensuing cause which is not otherwise excluded.

9.12. Fines and penalties

liability for payment of any fines or penalties imposed or ordered to be paid, or damages for breach of contract for late or non-completion of orders, or any civil or criminal penalties of whatsoever nature, including loss, interruption or interference caused by non-payment of such liabilities.

9.13. Gradual or environmental changes

damage, loss, interruption or interference caused by:

- a) erosion, corrosion, deterioration, wear and tear, marring or scratching, change of temperature (except as provided by the 'Deterioration of stock' extension);
- b) change of colour, texture or finish or inherent vice, rust, infestation, insects or vermin;
- c) frost or freezing, except this clause does not apply to the 'Machinery breakdown' extension; and

- d) mould, mildew or other microorganism of any type, including but not limited to any substance whose presence poses an actual or potential threat to human health, except that this exclusion does not apply in respect of the insurance provided by the 'Specified disease, murder or suicide, food or drink poisoning' extension.

But this exclusion will not apply to subsequent **damage** resulting from an ensuing cause which is not otherwise excluded.

9.14. Interest

interest on any claim payment or compensation benefit for any reason whatsoever.

9.15. Marine impact

damage, or loss or interruption or interference caused by impact with any **property insured** by any waterborne vessel or craft.

9.16. Marine insurance cover

damage, or loss or interruption or interference caused by **damage** regarding import shipments until fully discharged or until marine insurance has ceased to cover, whichever last occurs.

9.17. Molten metal or glass

damage, or loss or interruption or interference caused by or consisting of the freezing, solidification or inadvertent escape of molten materials.

9.18. Non-specific loss or damage

damage, or loss or interruption or interference:

- a) caused by disappearance or which is not identifiable by **you** with a specific **incident** or which is unexplained, and which has not been notified under the terms of the 'Claim Conditions and Requirements' **section**;
- b) revealed only during an inventory or stocktaking;
- c) caused by or arising from misfiling or misplacing of property, information or **data**; or
- d) caused to **money** except as specifically stated as being insured in the **schedule**.

9.19. Nuclear hazards

damage, or loss or interruption or interference directly or indirectly caused by, contributed to by, or arising out of or in connection with **nuclear hazards** regardless of any other cause or event contributing concurrently or in any other sequence thereto.

9.20. Pollution

damage, or loss or interruption or interference caused by pollution or contamination, but this exclusion will not apply to **damage**, or loss or interruption or interference caused by:

- a) pollution or contamination which itself results from a **defined peril**; or
- b) a **defined peril** which itself results from pollution or contamination.

9.21. Processing

damage, or loss or interruption or interference caused by the **property insured**:

- a) undergoing any process including but not limited to, cleaning, repairing, restoring, renovating, testing, commissioning or packaging; and
- b) itself undergoing any heating process or any process involving the application of heat;

but this will not exclude subsequent **damage** resulting from an ensuing cause which is not otherwise excluded.

9.22. Riot

damage, loss, interruption or interference or **injury** occurring in Northern Ireland caused by riot, civil commotion, strikes and strikers, locked-out workers, persons taking part in labour disturbances or civil commotion or malicious persons or any unlawful association.

9.23. Subsidence or collapse

in respect of **buildings**:

- a) subsidence, ground heave or collapse caused by:
 - i. the bedding down of new structures, by settlement;
 - ii. coastal or river erosion; or
 - iii. by the movement of ground or of any building erected on a mining site;
- b) **damage** caused by subsidence, ground heave or collapse to the **buildings** or any part thereof whilst in the course of erection or undergoing demolition or structural repairs;
- c) **damage** caused by subsidence, ground heave or collapse which commenced prior to **our** agreement to provide insurance cover or **damage** which originated prior to the inception of this **policy**; or

- d) **damage** caused by the **buildings'** own collapse or cracking, however **we** will indemnify **you** in respect of such **damage** if it results from a cause which is not otherwise excluded;

but this exclusion will not apply to subsidence caused by fire, explosion, **earthquake** or the escape of water from any tank, apparatus or pipe.

9.24. Tax

the amount of any rate, tax, duty, development or other charge or assessment arising out of capital appreciation which may be payable in respect of the **property insured**.

9.25. Theft and fraud

damage, or loss or interruption or interference caused by:

- a) theft or attempted theft, but this exclusion will not apply:
- i. to theft or attempted theft from inside any of the fixed permanent lockable structures at the **premises** where there has been entry to or exit from the structure by forcible and violent means, unless the structure is **unoccupied**. Entry to or exit from the structures at the **premises** by forcible and violent means will not include forcible and violent entry to or exit from or through an internal door, office, cage, compartment or store within the structures unless that internal door, office, cage, compartment or store is the sole part of the structure occupied by **you**;
 - ii. to **damage** covered by the 'Theft damage to uninsured structures' and the 'Theft of external parts of structures at the premises' extensions if shown as 'INCLUDED' in the **schedule**;
 - iii. to loss covered by the 'Lock replacement' extension if shown as 'INCLUDED' in the **schedule**; and
 - iv. to loss covered by the 'Money damage and assault' extension or the 'Goods in transit' extension if shown as 'INCLUDED' in the **schedule**.
- b) dishonesty of **your employees**, but this will not exclude theft or attempted theft covered by a) i) above; or

- c) the deliberate or reckless acts of any of **your** principals, directors, or partners, but this exclusion does not apply to **damage** caused by the use of reasonable force to protect persons or property against a peril not excluded by the **policy**.

9.26. Unoccupied buildings

damage to **buildings** which are or become **unoccupied** during the **period of insurance**, and resulting interruption of or interference with the **business**, caused other than by fire, explosion, lightning, **earthquake**, aircraft, other aerial device, satellite, missile or articles which impact upon the **unoccupied buildings**.

9.27. War and terrorism

damage, loss, interruption or interference or **injury** directly or indirectly caused by, contributed to by, or arising out of or in connection with:

- d) any act of **war** or **act of terrorism**;
- e) any action controlling, preventing, suppressing, retaliating against or responding to any act of **war** or **act of terrorism**;

regardless of any other cause or event contributing concurrently or in any other sequence thereto, and subject to the provisions below.

In any action, suit or other proceedings where **we** allege that by reason of this exclusion any **damage**, loss, interruption or interference or **injury** is not covered by the **policy**, the burden of proving that such loss is covered will be upon **you**.

This exclusion will not apply to the extent that if it did not apply, any claim would be specifically covered by the 'Terrorism' **section** if shown as 'INCLUDED' in the **schedule**.

9.28. Water table level

damage, or loss or interruption or interference caused by change in water table level. For the purpose of this exclusion 'water table level' means the vertical distance from the surface of the earth to underground water being the surface at which the soil or rocks are permanently saturated with water.

9.29. Works

damage, or loss or interruption or interference caused by:

- a) any **contract works** being undertaken at the **premises** where the total value of the contracts under which such works are being undertaken exceeds £50,000; or

- a) any other building or demolition works,
other than routine maintenance,
regardless of their value;

unless **you** have notified **us** prior to the commencement of the works and paid any additional premium **we** require.

10. Claims Conditions and Requirements section

10.1. Claim notification

For claims under the **policy** please use the contact details as listed in the **schedule**.

10.1.1. Notification Requirements - CONDITIONS PRECEDENT

We will only indemnify **you** under the **policy** if **you** comply with the following conditions precedent:

- a) unless stated elsewhere in the **policy**, **you** must notify **us** as soon as practical but in any event within thirty (30) days of any **incident**, accident, event or **damage** which may be the subject of indemnity under the **policy**;
- b) in respect of **damage** caused by riot, **you** must give notice to **us** in writing within twenty one (21) days; and
- c) in respect of **damage** caused by theft or malicious persons as covered under the 'Property Damage' and 'Business Interruption' sections, **you** must give immediate notice to the Police Authority and take all practical steps to assist any investigation or recover the property lost.

10.2. Your duties

For every claim **you** and any person acting on **your** behalf must:

- a) on the occurrence of any **damage** act with due diligence, undertake or permit to be undertaken all tasks reasonably practicable to minimise the loss;
- b) always act honestly;
- c) give all such information, assistance and forward all documents to enable **us** to investigate, settle or resist any claim as **we** may require;
- d) provide such proofs and information in respect of the claim as **we** may reasonably require together with (if we ask for it) a statutory declaration of the truth of the claim and any matters connected with it;
- e) co-operate with **us** or **our** appointed agents to allow compliance with any relevant practice directions and pre-action protocols;
- f) not destroy evidence or supporting information or documentation without **our** prior written consent;
- g) not destroy any property that may give rise to a claim; and

- h) comply with any reporting obligations provided for under the UK General Data Protection Regulation.

10.3. Claim procedure

Unless stated otherwise, **we** will handle and oversee all claims but day to day handling may be managed by a third party. For every claim, **you** and any person acting on **your** behalf must:

- a) provide **us** or **our** appointed agent with copies of any legal documents relating to an insured event within three (3) business days of receipt; and
- b) provide **us** at **your** own expense, with a written account of those articles or portions of **property insured damaged**, the amount of the **damage** based on the value at the time it took place, and full details of any business interruption loss together with supporting accounts and financial information, within thirty (30) days after **damage** (or expiry of the **indemnity period** in the case of business interruption).

10.4. Our rights

We may at any time require **you** to reimburse **us** for payments made under the **policy** that do not exceed the **excess** or **deductible**.

10.5. Subrogation

- a) Except **where** expressly provided otherwise elsewhere in the **policy**, **you** and any person acting on **your** behalf must not waive any rights of recourse or recovery against any other person relating to an **occurrence**, loss or suit that may give rise to a claim.
- b) **You** or any other party **insured** by the **policy** will, at **our** request and expense undertake such acts as may be required for the purpose of enforcing any rights and remedies regardless as to whether **we** have indemnified **you**.
- c) If **you** have any uninsured losses that are properly recoverable against a third party whom **we** intend to pursue by way of a subrogated claim, **we** will, at **your** request, include **your** uninsured losses in the subrogated claim. **We** will have sole control over the conduct, strategy, management and settlement of the subrogated claim and **we** will fund all legal costs. We will pay **you** any recovery from the subrogation proceedings, less expenses incurred by **us** in such

proceedings, in the proportion that the amount that:

- i. any applicable **excess** or **deductible**; and
- ii. any provable and recoverable uninsured loss;

bears to the whole loss amount.

11. General Terms section

11.1. Applicable law and jurisdiction

- a) The law applying to the **policy** is the law as stated in the **schedule**.
- b) Any legal proceedings between **you** and **us** in connection with the **policy** will be subject to the exclusive jurisdiction of the courts of the jurisdiction as stated in the **schedule**.

11.2. Application of sums insured, overall loss limit, sub-limits of indemnity

- a) Where an **overall loss limit** is stated in the **schedule**, the amount stated is the maximum amount for which **we** will indemnify **you** under the **policy** for all claims connected with the same single **occurrence** regardless of the number of **sections**, **sub-sections** or extensions under which the claim or claims are made or the value of the individual **sum(s) insured** of **sub-limits of indemnity** or the number of entities, persons or interested parties making the claim or claims under this **policy**.
- b) Where a **sum insured** is stated in the **schedule** against an item or items of **property insured**, **section** or **sub-section** the amount stated is the maximum amount for which **we** will indemnify **you** in respect of all claims during the **period of insurance** for the item of **property insured**, **section** or **sub-section** of the **policy** against which the **sum insured** is stated in the **schedule**, regardless of the number of **occurrences**, **premises** or other locations giving rise to claims or the number of entities, persons or interested parties making the claim or claims under this **policy**. Where a **sum insured** is stated in the **policy** or **schedule** to apply on a first loss basis, the amount stated is the maximum amount for which **we** will indemnify **you** in respect of a loss arising from a single **occurrence** at a single **premises**. Where a **sum insured** applies on a first loss basis, it will not be available in respect of additional loss at the same **premises** arising out of a different **occurrence**, or loss at any additional **premises** regardless whether or not such loss arises from the same single **occurrence**.

- c) Where an **overall loss limit** is stated in the **schedule** this will apply as explained at (a) above and the total amount for which **we** will indemnify **you** will not exceed the **overall loss limit** even where this is lower than the applicable **sum(s) insured**.
- d) Where a **sub-limit of indemnity** is stated in the **schedule** or within this document against an insured cause of **damage** or loss, or against an extension or **sub-section**, the amount stated is the maximum amount for which **we** will indemnify **you** in respect of all claims connected with the same single **occurrence** regardless of the number of **premises** or other locations to which the claims relate or the number of entities, persons or interested parties making the claim or claims under this **policy**. However, if in the **schedule** or in this document a **sub-limit of indemnity** is described as applying per **occurrence** and in the aggregate, the amount stated is the maximum amount for which **we** will indemnify **you** in respect of all claims during the **period of insurance** regardless of the number of **occurrences**, **premises** or other locations giving rise to claims or the number of entities, persons or interested parties making the claim or claims under this **policy**.
- e) Where a **sub-limit of indemnity** is stated in this document, this will only apply in the event that cover is available for the extension or **sub-section**, and no **sub-limit of indemnity** is shown in the **schedule**. If a **sub-limit of indemnity** is shown in the **schedule** this will supersede any applicable **sub-limit of indemnity** in this document.
- f) Any **sub-limit of indemnity** for a specified cover included in the **schedule** is deemed to be part of and not in addition to the applicable **sum insured** unless expressly stated otherwise in the **sections** or **schedule**.
- g) Where a single **occurrence** gives rise to a claim or claims under more than one extension under the 'Business Interruption Optional Extensions' **sub-section**, the total amount for which **we** will indemnify **you** will not exceed the single largest **sub-limit of indemnity** of the applicable extensions. In no circumstances will **we** indemnify **you** for

more than one **sub-limit of indemnity** under the 'Business Interruption Optional Extensions' **sub-section** in relation to claims arising from the same single **occurrence** regardless of the number of **premises** or other locations to which the claims relate or the number of extensions or the number of entities, persons or interested parties making the claim or claims under this **policy**.

11.3. Application of Deductible or Excess

- a) Where a **deductible** applies, this amount shall be deducted from the applicable **sum insured** or **sub-limit of indemnity** in order to calculate the amount of the indemnity **we** will pay **you** under the **policy**.
- b) Where an **excess** applies, this amount shall not be deducted from the applicable **sum insured** or **sub-limit of indemnity** in order to calculate the amount of the indemnity **we** will pay **you** under the **policy**.
- c) Where a **deductible** or **excess**, except an aggregate **deductible** or **excess**, is stated in the **schedule** to apply in respect of a **section** or **sections** of this **policy**, that **deductible** or **excess** will apply to any claims under that **section** or **sections** in respect of one **occurrence**, including under any extensions. This is subject to the proviso that, where the **schedule** states that a more specific **deductible** or **excess** applies to an extension, that more specific **deductible** or **excess** shall apply to that element of the claim that is made under the extension instead of the **deductible** or **excess** that applies to the **section** or **sections** in which the extension is contained.
- d) Where the **schedule** states that a more specific time **excess** applies to an extension only, the monetary **excess** that applies to the **section** or **sections** in which the extension is contained will apply instead to that element of the claim made under the extension but only if the monetary **excess** is the higher of the two once **we** have calculated the monetary value of the time **excess**.
- e) Where both a more specific time **excess**

and a monetary **excess** are stated on the **schedule** to apply to an extension, the applicable **excess** will be the higher of the two once **we** have calculated the monetary value of the time **excess**.

- f) Where more than one **excess** or **deductible** could be applied to one claim or **occurrence** under any **section** or **sections**, only the single highest **excess** or **deductible** will be applied. However, all applicable non-ranking **excesses** will continue to apply.

Where **you** make a claim under an extension where the applicable **sub-limit of indemnity** is less than the **deductible** that applies to that **section** or **sections** of the **policy**, no amount will be payable by **us** under that extension unless a more specific monetary **deductible** applies to the extension.

11.4. Application of aggregate Deductible or aggregate Excess

Where an aggregate **deductible** or aggregate **excess** is stated on the **schedule** the following additional provisions apply:

- a) Any **excess** stated on the **schedule** to be 'non-ranking' is excluded from and forms no part of the indemnity that **we** provide under this **policy**.
- b) All sums claimed over and above any applicable non-ranking **excess** will be subject to the standard **deductible** or standard **excess** stated on the **schedule** and such sums shall contribute towards the aggregate **deductible** or aggregate **excess**.
- c) The standard **deductible** or standard **excess** will apply until the total sum of these equals or exceeds the aggregate **deductible** or aggregate **excess** in respect of all losses occurring during the **period of insurance** at which point the aggregate **deductible** or aggregate **excess** will be exhausted.
- d) Once the aggregate **deductible** or aggregate **excess** has been exhausted, the standard **deductible** or standard **excess** will not apply to any future claims for losses occurring during the **period of insurance** but such claims will continue to be subject to any non-ranking **excess** and will be subject to the residual **deductible** or residual **excess** stated on the **schedule**.

11.5. Assignment

Assignment of interest under the **policy** will not bind **us** unless and until **our** written consent is endorsed hereon.

11.6. Cancellation

- a) **We** may at any time during the **period of insurance** serve written notice on **you** at the address shown in the **schedule** cancelling the **policy** with effect from the 30th day after service of the notice.
- b) Such cancellation will not affect the coverage or premium attributable to the period prior to cancellation. Upon demand and subject to no claims having been notified under the **policy**, **we** will return to **you** a part of any premium paid in excess of that proportionate to the pre-cancelled portion of the **policy**.
- c) Without prejudice to any other forms of service, the notice of cancellation is deemed to be served on the 3rd day after being posted if sent by pre-paid letter post properly addressed.

11.7. Contract (Rights of Third Parties) Act 1999

This **policy** does not confer or create any right enforceable under the Contracts (Rights of Third Parties) Act 1999 by any person who is not named as the **insured** and both **you** and **us** may amend, cancel or lapse this **policy** according to its terms without giving notice to, or requiring the consent of, any other third party. However, this will not preclude rights enforceable under the Third Parties (Rights against Insurers) Act 2010.

11.8. Data Privacy Notice

Any personal **data** provided to **us** will be processed in compliance with all applicable laws and regulations and in accordance with the privacy notice which can be found using the details provided in the **schedule**.

11.9. EU Coverage

- a) Any automatic coverage provided by this **policy** for:
 - i. entities acquired by, merged with, or established by, **you**;
 - ii. **property** or other interests acquired by **you**; or
 - iii. additional **insureds**;
- will not apply to the extent that, as a result of the **United Kingdom's** withdrawal from the European Union, **we** are not permitted by applicable law or regulation to provide that coverage and/or would

become exposed to legal or regulatory sanction as a consequence of providing that coverage.

- b) In the case of any grant or exclusion or restriction of coverage in respect of **your** liability under or compliance with European Union law or regulation, following the **United Kingdom's** withdrawal from the European Union, any reference in this **policy** to European Union law or regulation will include equivalent domestic laws of England & Wales, Scotland and/or Northern Ireland or equivalent **United Kingdom** regulation.
- c) If this clause conflicts with any other clause in the **policy**, the terms of this clause will prevail.

11.10. Exchange rate

In the event that we make a payment under the **policy** in any other currency than pounds sterling (GBP), the exchange rate applicable for each month that the loss accrues will be the exchange rate at the mid-point of each month during the accrual of the loss.

11.11. Inspection and Audit

We or **our** representative will be permitted to inspect **your** property and operations with reasonable notice. Such inspections do not warrant that the property or operations are safe.

11.12. Insurance Act 2015

Nothing in the **policy** is intended to vary the provisions of the Insurance Act 2015.

11.13. Legislation and other requirements

All Acts of Parliament, laws, regulations, standard form contracts and permits (in each case, as applicable) referred to in this **policy** will include any deriving rule, order, regulation, permit, contract or instrument and will include any subsequent amendment, replacement, consolidation or re-enactments.

11.14. Material changes during the policy period

- a) **You** must notify **us** within thirty (30) days of any material change to **you**, **your business** or the risks insured if indemnity under this **policy** is sought in relation to any such change.
- b) **We** will not indemnify **you** for any **damage**, loss, interruption or interference arising out of a material change for which indemnity would otherwise have been available under this **policy** unless **we** have provided valid confirmation of cover, whether by an

express term of the **policy**, endorsement, written confirmation or otherwise.

11.15. Minimisation of risk

- a) **You** must take all reasonable steps to prevent an insured event arising or continuing. **You** must take such steps at **your** own expense to the extent that cover under the **policy** has not been confirmed by **us**.
- b) Upon the happening of an insured event and at all times thereafter, unless and until cover under the **policy** has been confirmed by **us**, **you** will take all reasonable measures as are appropriate to avoid or minimise any claims which arise or may arise from that insured event. Any failure by **you** to take such steps will reduce or extinguish **our** obligation to indemnify **you** under the **policy** to the extent that such failure has increased the claim under this **policy**.

11.16. Other insurance

The **policy** will not provide any indemnity in respect of any claim or part thereof which at the time of any claim made under the **policy** is covered by any other valid and collectible insurance and will not contribute to any claim with any such valid and collectible insurance, except as specifically provided otherwise in an extension of the **policy**.

11.16.1. Other parties

The interest of such other parties, including lessors, mortgagees, banks and hire purchase companies, is noted in this **policy** but only to the extent of their financial interest in the **property insured**.

In the event of any claim:

- a) **you** must immediately (and in any event within two (2) working days) declare to **us** the names of such interested parties; and
- b) **we** will consult with such declared interested parties as regards the manner and method of any indemnity to protect the direct financial interests of such parties.

11.17. Premium adjustment

- a) Where the premium in whole or part is provisionally based on estimates provided by **you**, **you** must keep accurate records and provide such information as **we** require within three (3) months of the expiry of the **period of insurance**. The premium will then be adjusted, and any difference paid by **you**.

- b) At **our** request **you** must supply an auditor's certificate attesting to the accuracy of any calculations.

11.18. Records

We may hold documents relating to this **policy** and any claims under it in electronic form and may destroy the originals. An electronic copy of any such document will be admissible in evidence to the same extent as, and carry the same weight as, the original.

11.19. Representation

Where more than one entity is designated as 'insured' the first named **insured** will act on behalf of all **insureds** and other parties covered under the **policy** with respect to the giving and receiving of any notices from **us** or their representatives including any notice of cancellation. The payment to the first named **insured** of any return premium that **we** may pay under the **policy** will satisfy **our** obligations to return premium to any other party covered by this **policy**.

11.20. Risk Survey

- a) **We** reserve the right to carry out a survey of the **property insured** at any time. If a survey gives rise to points of concern, **we** reserve the right to impose risk improvement requirements by way of an endorsement to the **policy** which will be notified to **you**. **We** may choose to impose one or more risk improvement requirements as conditions precedent should they be of sufficient importance to **us**.
- b) Under no circumstances will a survey relieve **you** of **your** obligations to comply with all of the **policy** terms, conditions precedent and requirements and **you** should not assume that because a breach has not been raised during or following a risk survey that **we** are aware of it and have decided to accept it.
- c) **Your** compliance with risk improvement requirements imposed during previous policy years will continue to be required.

11.21. Sanction limitation and exclusion

We will not provide cover nor indemnify **you** for any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose **us** or any member of **our** group to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of any country.

11.22. Subscribing insurer

Insurers' obligations under the **policy** are several and not joint and are limited solely to the extent of their individual subscription. No insurer is responsible for the subscription of any co-subscribing insurer.

11.23. Waiver of subrogation

a) To the extent **you** are required by any agreement to waive **your** rights to recover from any other party, **we** agree to waive any rights of subrogation to which **we** might have been entitled. However, this waiver of subrogation will not apply to any contractor or sub-contractor

undertaking **contract works** at the **premises** where the total value of the contracts under which the works are being undertaken exceeds £50,000 unless **you** have notified **us** prior to the commencement of the works and paid any additional premium **we** require.

b) **We** agree to waive any rights, remedies or relief to which **we** might become entitled by subrogation, following **damage** or loss covered by this **policy**, against any one of **your subsidiary companies**.

12. How To Complain

12.1. Complaints to QBE

You can complain about the **policy** by contacting **your** broker or by contacting us using the complaints details provided in the **schedule**.

12.2. The UK Financial Ombudsman Service (UK FOS)

If **you** feel that **your** complaint has not been satisfactorily resolved, **you** may be eligible to contact the UK FOS to review the complaint.

Information about the eligibility criteria is available on the UK FOS website <https://www.financial-ombudsman.org.uk/>. Details of how to contact the UK FOS are provided in the **schedule**.

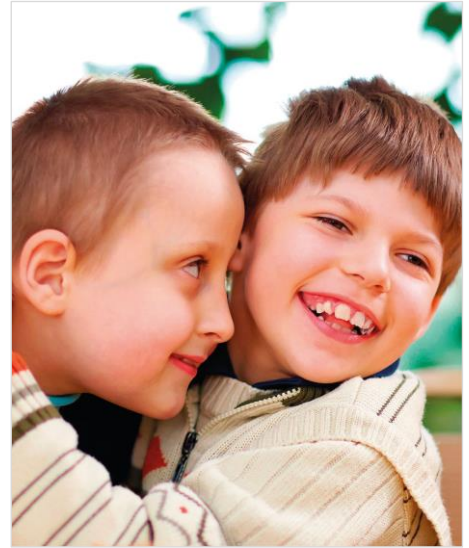
12.3. Financial Services Compensation Scheme (FSCS)

You may be entitled to compensation from the FSCS if **we** are unable to meet **our** obligations under the **policy**. Further information is available from www.fscs.org.uk, or **you** can write to the Financial Services Compensation Scheme, PO Box 300, Mitcheldean, GL17 1DY.

QBE | Premiums4Good

Until we need the money to pay claims, we invest our customers premiums – typically in shares or bonds. Premiums4Good is a unique initiative in the insurance industry that sees us put part of those premiums into investments with a social benefit. For example, Social Impact Bonds or Green Bonds.

- When you insure with us, we'll ask whether you'd like 25% of your premium to be invested this way – it's entirely optional
- There's no risk to you – all the investment risk falls to us
- You get annual updates showing the investments we made and the projects that benefitted, which you can then use in your own reports to stakeholders, employees and customers
- Premiums4Good complements your other social responsibility initiatives
- Funding goes into projects like reducing homelessness, improving the prospects of children in foster care, and improving the school performance of children from 'at risk' households.



See QBEurope.com/community/qbe-premiums4good for further details.

QBE | Foundation

The QBE European Operations Foundation is a global corporate responsibility initiative.

Offering solutions to help manage risk is QBE's core business. Through the QBE Foundation, we want to establish long-term partnerships, supported by education and awareness around risks, to improve the resilience and preparedness of our communities so they are better equipped to protect themselves.

The QBE Foundation's vision is creating strong, resilient, and inclusive communities, by focusing investment and efforts on two key areas where we believe we can have the greatest impact: climate resilience and inclusion. A set of guiding principles guide our partnerships and initiatives.

The QBE Foundation invests in the community through funding, pro-bono, and in-kind support, including workplace volunteering and giving, community grants and partnerships with charities and community organisations.

See QBEurope.com/community/qbe-foundation for further details.

Flexible Instalment Plans

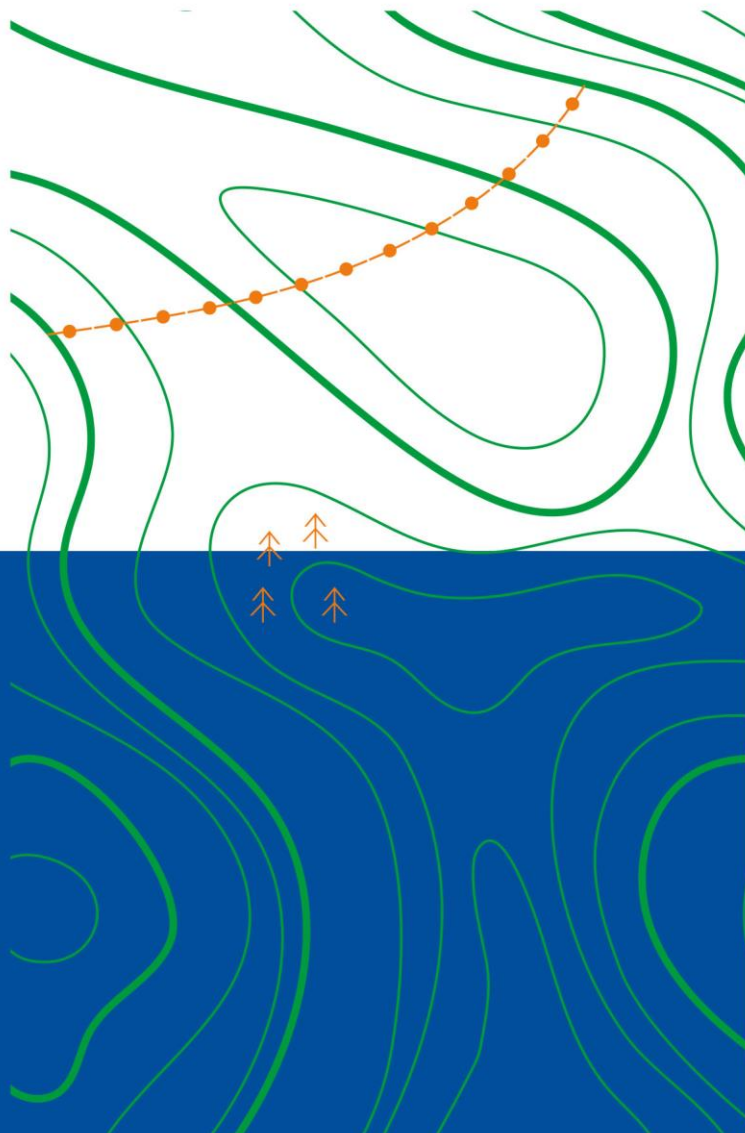
Contact your local underwriter for details (subject to satisfactory credit check)

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Made possible



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